

Market Feasibility Analysis

The Terraces at Woodruff (*Scattered Sites*)

Site 1: Armory Road

Site 2: Main Street

Woodruff, Spartanburg County, South Carolina 29388

Prepared For

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Effective Date

March 24, 2015

Job Reference Number

15-192 JW/PB



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2015 EXHIBIT S – 2 SCSHFDA PRIMARY MARKET AREA ANALYSIS SUMMARY:

Development Name:	The Terraces at Woodruff	Total # Units:	44
Location:	Armory Road & Main Street (scattered sites), Woodruff, SC 29388	# LIHTC Units:	44
PMA Boundary:	State Route 417, State Route 290 and Anderson Mill Road to the north; Interstate 26 to the east; Spartanburg County/Enoree River to the south and west.		
Development Type:	<input checked="" type="checkbox"/> Family <input type="checkbox"/> Older Persons	Farthest Boundary Distance to Subject:	12.7 miles

RENTAL HOUSING STOCK (found on page H-10)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	5	236	8	96.6%
Market-Rate Housing	2	53	5	90.6%
Assisted/Subsidized Housing not to include LIHTC	2	147	3	98.0%
LIHTC (All that are stabilized)*	1	36	0	100.0%
Stabilized Comps**	0	-	-	-
Non-stabilized Comps	0	-	-	-

* Stabilized occupancy of at least 93% (Excludes projects still in initial lease up).

** Comps are those comparable to the subject and those that compete at nearly the same rent levels and tenant profile, such as age, family and income.

Subject Development					Adjusted Market Rent			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
5	Two	2.0	1,000	\$363	\$675	\$0.68	46.22%	\$1,030	\$1.04
5	Two	2.0	1,000	\$398	\$675	\$0.68	41.04%	\$1,030	\$1.04
4	Three	2.0	1,200	\$440	\$805	\$0.67	45.34%	\$1,285	\$0.98
6	Three	2.0	1,200	\$490	\$805	\$0.67	39.13%	\$1,285	\$0.98
24	Three	2.0	1,300	\$490	\$855	\$0.66	42.69%	\$1,285	\$0.98
Gross Potential Rent Monthly*				\$20,265	\$35,320		42.62%		

*Market Advantage is calculated using the following formula: (Gross Adjusted Market Rent (minus) Gross Proposed Tenant Rent) (divided by) Gross Adjusted Market Rent. The calculation should be expressed as a percentage and rounded to two decimal points. The Rent Calculation Excel Worksheet must be provided with the Exhibit S-2 form.

DEMOGRAPHIC DATA (found on page F-3 & G-5)

	2000		2014		2017	
Renter Households	N/A	N/A	1,552	26.1%	1,583	26.2%
Income-Qualified Renter HHs (LIHTC)	N/A	N/A	517	33.3%	520	32.8%
Income-Qualified Renter HHs (MR)	(if applicable)	N/A	N/A	N/A	N/A	N/A

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	50%	60%	Market-rate	Other:___	Other:___	Overall
Renter Household Growth	4	4				3
Existing Households (Overburd + Substand)	106	108				145
Homeowner conversion (Seniors)	0	0				0
Other:	0	0				0
Less Comparable/Competitive Supply	0	0				0
Net Income-qualified Renter HHs	110	112				148

CAPTURE RATES (found on page ___)

Targeted Population	50%	60%	Market-rate	Other:___	Other:___	Overall
Capture Rate	8.2%	31.3%				29.7%

ABSORPTION RATE (found on page ___)

Absorption Period 6 to 7 months

2015 S-2 RENT CALCULATION WORKSHEET

# Units	Bedroom Type	Proposed Tenant Paid Rent	Gross Proposed Tenant Rent	Adjusted Market Rent	Gross Adjusted Market Rent	Tax Credit Gross Rent Advantage
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	0 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
	1 BR		\$0		\$0	
5	2 BR	\$363	\$1,815	\$675	\$3,375	
5	2 BR	\$398	\$1,990	\$675	\$3,375	
	2 BR		\$0		\$0	
4	3 BR	\$440	\$1,760	\$805	\$3,220	
6	3 BR	\$490	\$2,940	\$805	\$4,830	
24	3 BR	\$490	\$11,760	\$855	\$20,520	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
	4 BR		\$0		\$0	
Totals	44		\$20,265		\$35,320	42.62%

B. PROJECT DESCRIPTION

The proposed project involves the new construction of a 44-unit family (general-occupancy) Low-Income Housing Tax Credit (LIHTC) rental community to be located on two scattered lots in Woodruff, South Carolina. The first site will contain 20 total units in 10 single-story duplex buildings and is located on Armory Road. The second site will contain 24 total single-family rental homes and is located on South Main Street. The proposed project, The Terraces at Woodruff, will be available to households with incomes up to 50% and 60% of Area Median Household Income (AMHI). The site will consist of 10 two-bedroom/2.0-bath and 34 three-bedroom/2.0-bath units with proposed collected Tax Credit rents ranging from \$363 and \$490. The project is anticipated to be complete in July 2016. Additional details regarding the project are as follows:

- a. Property Location:** Site 1: Armory Road
Site 2: Main Street
Woodruff, South Carolina 29388
(Spartanburg County)
- QCT: No DDA: No
- b. Construction Type:** New Construction
- c. Occupancy Type:** Family
- d. Target Income Group:** 50% and 60% AMHI
- e. Special Needs Population:** Not Applicable
- f. and h. to j. Unit Configuration and Rents:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Percent of AMHI	Proposed Rents			2015 Max Allowable LIHTC Rent
						Collected	Utility Allowance	Gross	
5	Two-Br.	2.0	Duplex	1,000	50%	\$363	\$162	\$525	\$608
5	Two-Br.	2.0	Duplex	1,000	60%	\$398	\$162	\$560	\$730
4	Three-Br.	2.0	Duplex	1,200	50%	\$440	\$199	\$639	\$703
6	Three-Br.	2.0	Duplex	1,200	60%	\$490	\$199	\$689	\$843
24	Three-Br.	2.0	SFH	1,300	60%	\$490	\$216	\$706	\$843
44	Total								

Source: Quad-State Development, Inc.

AMHI – Area Median Household Income (Spartanburg, SC MSA; 2015)

SFH - Single-Family Home

g. Number Of Stories/Buildings: Site 1: 10 single-story duplex residential buildings with 20 total units and a stand-alone community building
Site 2: 24 ranch-style single-family homes

k. Project-Based Rental Assistance (Existing or Proposed): None

l. Community Amenities:

The subject property will include the following community features, all located at Site 1. Note that Site 2 will have access to these community features.

- On-Site Management
- Laundry Facility
- Club House/Community Room
- Fitness Center
- Computer Center
- Picnic Area
- Playground
- Storage

m. Unit Amenities:

Each unit will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Microwave Oven
- Central Air Conditioning
- Washer/Dryer Appliances
(single-family homes only)
- Carpet
- Window Blinds
- Washer/Dryer Hookups
- Patio/Balcony
- Ceiling Fan

n. Parking:

A surface parking lot will be located at each of the sites at no additional cost to the residents.

o. Utility Responsibility:

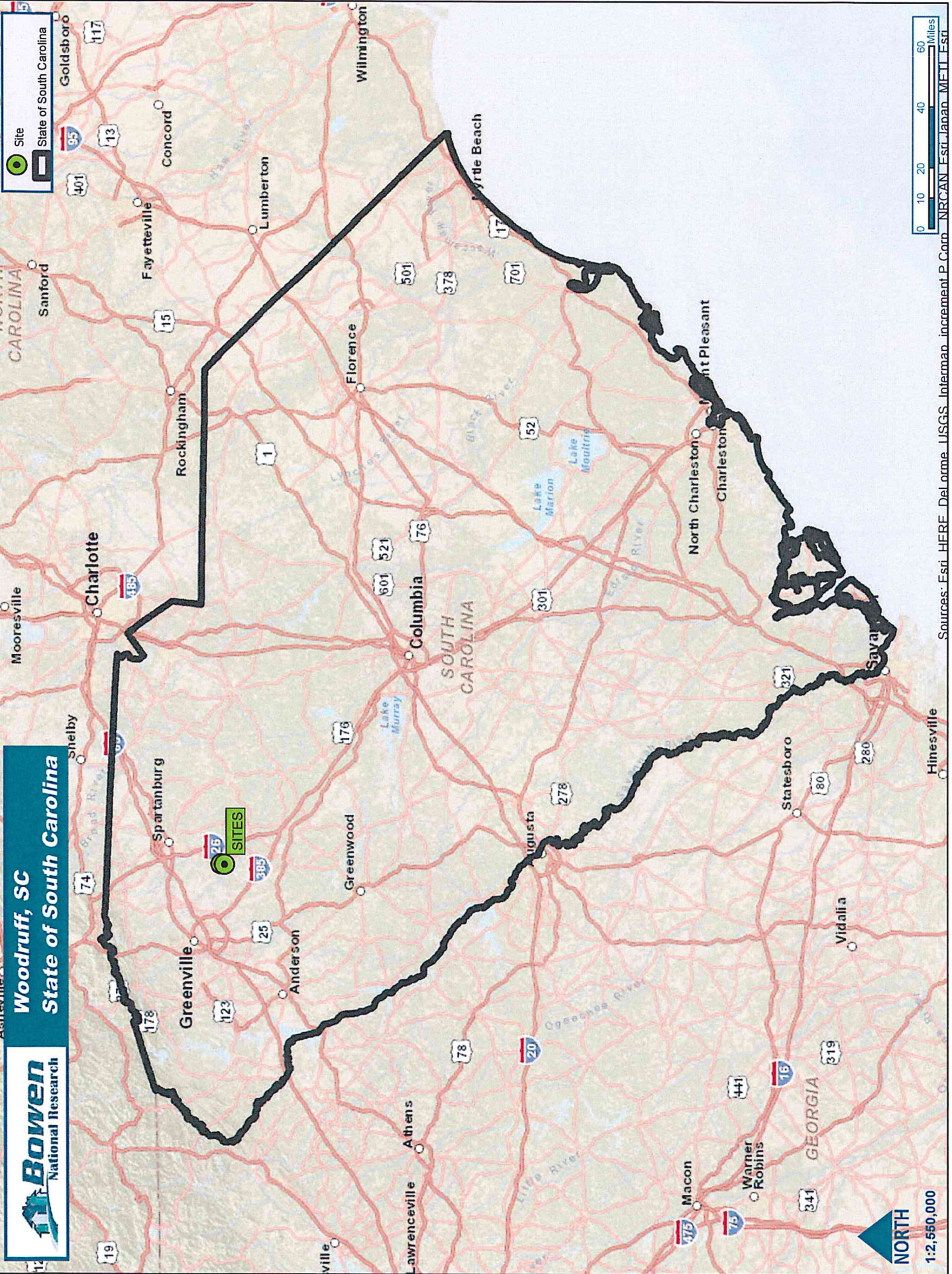
The cost of trash collection will be included in the rent, while tenants will be responsible for all other utilities and services, including the following:

- Electric Heat
- Electric Air Conditioning
- General Electric
- Cold Water
- Electric Water Heating
- Electric Cooking
- Sewer

A state map and an area map are on the following pages.



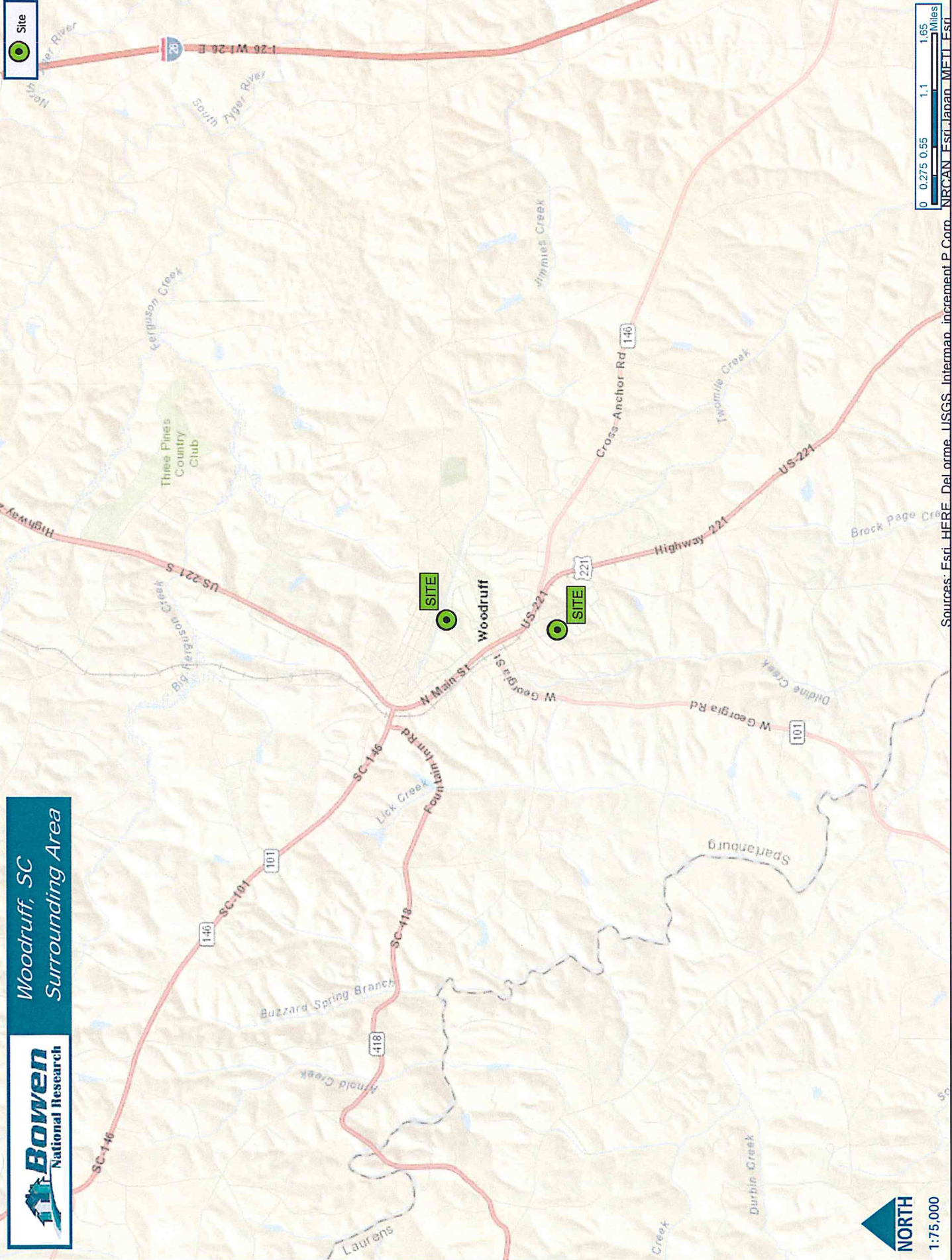
Woodruff, SC State of South Carolina



NORTH
1:2,550,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

Woodruff, SC
Surrounding Area



Site

NORTH
1:75,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp, NRCAN, Esri, Japan, METI, Esri

C. SITE DESCRIPTION AND EVALUATION

1. SITE INSPECTION DATE

Bowen National Research personally inspected the subject site during the week of March 16, 2015. The following is a summary of our site evaluation, including an analysis of the site's proximity to community services.

2. SITE DESCRIPTION AND SURROUNDING LAND USES

Site 1 (Main Street) is located within an established residential area at the southwest corner of the South Main Street and Allen Street intersection in the south-central portion of Woodruff, South Carolina. Located in Spartanburg County, Woodruff is approximately 30.0 miles southeast of Greenville, South Carolina and approximately 95.0 miles southwest of Charlotte, North Carolina.

Surrounding land uses include single-family homes in satisfactory condition, local businesses, railroad tracks and wooded land. Adjacent land uses are detailed as follows:

North -	Various single family homes in satisfactory condition are adjacent to the subject site to the north. Continuing north is the intersection of South Main and Allen streets, followed by railroad tracks.
East -	Scattered single-family homes border the site to the east, followed by South Main Street. Continuing east is Fred's Grocery and Pharmacy.
South -	Heavily wooded land defines the southern border of the subject site. Residential neighborhoods containing single-family homes in satisfactory condition and heavily wooded land extend farther south and beyond for a considerable distance.
West -	Wooded land and scattered single-family homes in satisfactory condition boarder the subject site immediately to the west. Extending west is Allen Street, a lightly-travelled two-lane thoroughfare, followed by single-family homes in satisfactory condition. The southwest corner of the subject site is bordered by a vacant industrial building. Scattered single-family homes in good condition and heavily wooded extend farther west.

Structures within the immediate site area are considered to be in satisfactory to good condition, many of which are single-family homes. These surrounding land uses are consistent with the residential nature of the proposed development. As noted, there are railroad tracks within close proximity to the north. However, it is believed that they will not have a significant impact on the subject's marketability, as evidenced by the established, occupied residential dwellings within the site's neighborhood. Overall, the subject property fits well with the surrounding land uses.

Site 2 (Armory Drive) is located within an established residential neighborhood at the northwest corner of the Armory Drive and Pearson Street intersection in the central portion of Woodruff, South Carolina. Surrounding land uses include single-family homes and heavily wooded land. Adjacent land uses are detailed as follows:

North -	A residential neighborhood containing single-family homes in satisfactory condition border the subject site to the north. Beason Street, a lightly-travelled two-lane residential roadway, continues north. Additional single-family homes extend farther north for a considerable distance.
East -	Pearson Street, a lightly-travelled two-lane north/south thoroughfare, defines the eastern border of the subject site. Continuing east are heavily wooded land and scattered single-family homes in satisfactory condition.
South -	The southern border is defined by Armory Drive, a lightly travelled two-lane residential roadway. Continuing south are single-family homes in satisfactory condition. Farther south is Main Street, a four-lane north/south thoroughfare with moderate vehicular traffic, containing many of the subject site's community services.
West -	Chamblin Street, a lightly-travelled two-lane residential roadway defines the western border of the subject site. Extending farther west is heavily wooded land.

The Armory Drive site is located in an established portion of Woodruff. Structures in the immediate area are considered to be in satisfactory to good condition. The local establishments, adjacent roadways, and residential neighborhoods that surround the site area are considered conducive to multi-family housing. Overall, the subject property fits well with the surrounding land uses and they should contribute to the marketability of the site.

3. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

Site 1 (Main Street) is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (miles)
Major Highway	U.S. Highway 221	0.1 Northeast
Major Employers/ Employment Centers	Patton Square Shopping Center Spartanburg County Schools	0.2 Northeast 1.0 East
Convenience Store	Kangaroo Express	0.8 Northwest
Grocery	Bi-Lo Fred's Woodruff Curb Market	0.2 Northeast 0.3 East 0.6 Northwest
Discount Department Store	Family Dollar Dollar General	0.4 Northwest 0.8 Northwest
Shopping Center	Patton Square Shopping Center	0.2 Northeast
Schools: Elementary Middle/Junior High High	Woodruff Elementary School Woodruff Middle School Woodruff High School	1.6 East 1.2 East 1.0 East
Hospital	ReGenesis Health Care Greenville Health Systems	0.8 North 14.7 West
Police	Woodruff Police Department	1.4 Northeast
Fire	Woodruff Fire Department	1.0 North
Post Office	U.S. Post Office	1.7 Northwest
Bank	First Citizens Bank & Trust Arthur State Bank	0.4 North 0.5 Northwest
Gas Station	Li'l Cricket Marathon	0.4 East 0.8 Northwest
Pharmacy	Bi-Lo Fred's Pharmacy Woodruff Family Pharmacy	0.2 Northeast 0.3 East 1.6 Northwest
Restaurant	Zaxby's Gianna's Villa Little Caesars Pizza Turtle Parfait	0.3 Northwest 0.4 Northwest 0.5 North 0.5 Northwest
Community Center	Woodruff Leisure Center	1.9 Northeast
Park	Mckinney Park	0.8 Northwest
Church	Element Church Emma Gray Memorial United Methodist Church	0.5 Northwest 0.8 Northwest
Fitness Center	Zen Garden Spa	0.5 Northwest
Day Care	Learning Years Child Development	0.8 North
Library	Woodruff Library	0.6 North

Site 2 (Armory Drive) is served by the community services detailed in the following table:

Community Services	Name	Driving Distance From Site (miles)
Major Highway	U.S. Highway 221	0.4 South
Major Employers/ Employment Centers	Patton Square Shopping Center Spartanburg County Schools	0.8 South 1.4 Southeast
Grocery	Woodruff Curb Market Bi-Lo Food Lion	0.5 Southwest 0.8 South 1.0 Northwest
Discount Department Store	Dollar General Family Dollar	0.4 East 0.6 Southwest
Shopping Center	Patton Square Shopping Center	0.8 South
Schools: Elementary Middle/Junior High High	Woodruff Elementary School Woodruff Middle School Woodruff High School	2.0 Southeast 1.7 Southeast 1.4 Southeast
Hospital	ReGenesis Health Care Greenville Health Systems	0.4 South 15.7 Southwest
Police	Woodruff Police Department	0.7 East
Fire	Woodruff Fire Department	0.4 East
Post Office	U.S. Post Office	0.9 Northwest
Bank	Arthur State Bank First Citizens Bank & Trust	0.6 Southwest 0.7 South
Gas Station	Marathon	0.4 East
Pharmacy	Rite Aid Bi-Lo Pharmacy	0.5 Southwest 0.8 South
Restaurant	Subway Five Star Subs Great Wall Chinese Restaurant Bronco Mexican Restaurant	0.4 West 0.4 West 0.4 West 0.6 West
Community Center	Woodruff Leisure Center	1.4 East
Park	Mckinney Park	0.6 West
Church	First Presbyterian Church Element Church Woodruff Baptist	0.4 South 0.6 Southwest 0.7 West
Day Care	Learning Years Child Development Kiddie Korner Day Care	0.6 Southeast 0.8 Northwest
Fitness Center	Zen Garden Spa Curves	0.6 Southwest 1.0 Northwest
Library	Woodruff Library	0.6 South

Most basic shopping needs are within 1.0 mile, including grocery stores, pharmacies, restaurants, banks, gas stations/convenience stores, a park and discount shopping.

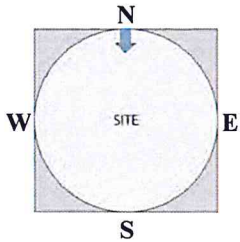
Public services such as, the Woodruff Police Department, Woodruff Fire Department and a U.S. Post Office are all within 1.7 miles of both site locations. The closest hospital, Greenville Health Systems, is located within 15.7 miles. However, ReGenesis Health Care is within 0.8 miles. In addition, all public schools that service the site are located within 2.0 miles.

Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

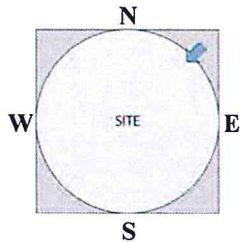
4. SITE PHOTOGRAPHS

Photographs of the subject site and surrounding land uses are on the following pages.

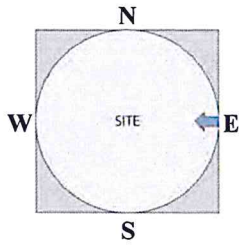
SITE PHOTOGRAPHS



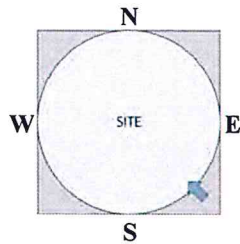
View of site from the north (Main Street Site)



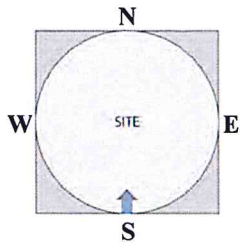
View of site from the northeast (Main Street Site)



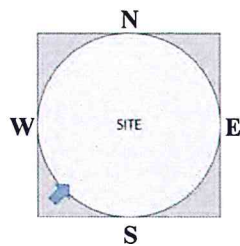
View of site from the east (Main Street Site)



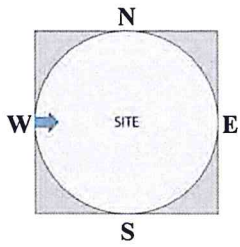
View of site from the southeast (Main Street Site)



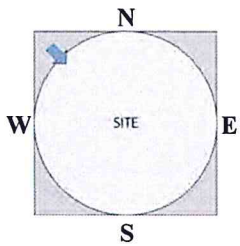
View of site from the south (Main Street Site)



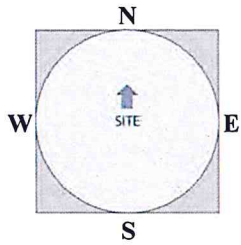
View of site from the southwest (Main Street Site)



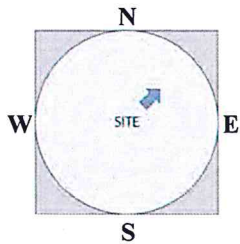
View of site from the west (Main Street Site)



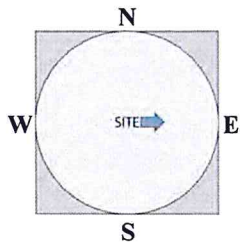
View of site from the northwest (Main Street Site)



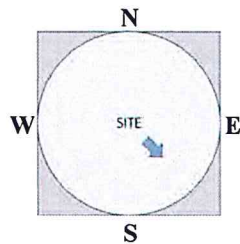
North view from site (Main Street Site)



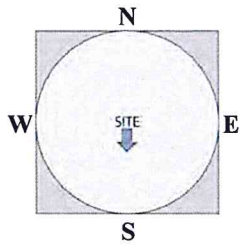
Northeast view from site (Main Street Site)



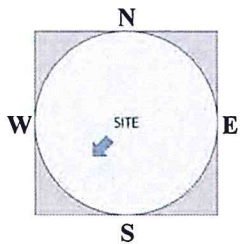
East view from site (Main Street Site)



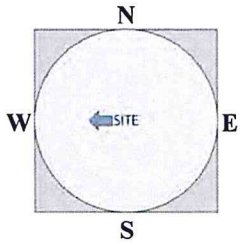
Southeast view from site (Main Street Site)



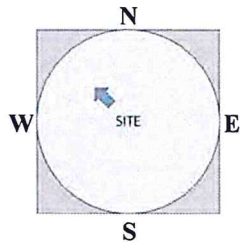
South view from site (Main Street Site)



Southwest view from site (Main Street Site)



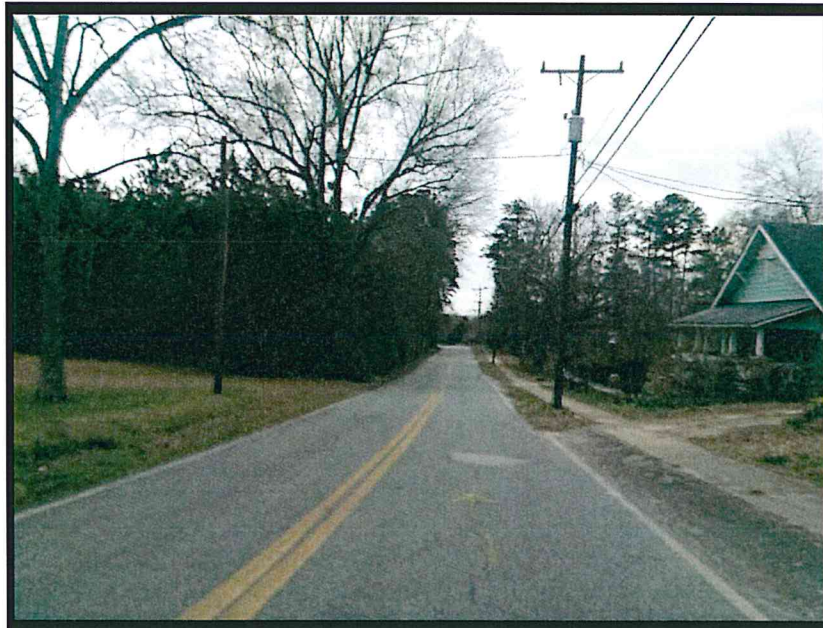
West view from site (Main Street Site)



Northwest view from site (Main Street Site)



Streetscape South Main Street view northwest (Main Street Site)



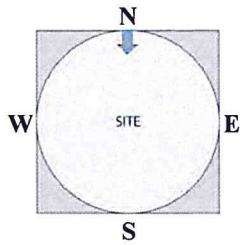
Streetscape South Main Street view southeast (Main Street Site)



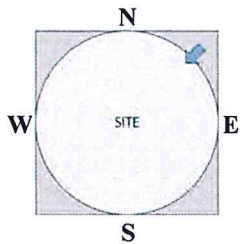
Streetscape Allen Street view southeast (Main Street Site)



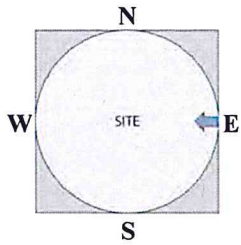
Streetscape Allen Street view northeast (Main Street Site)



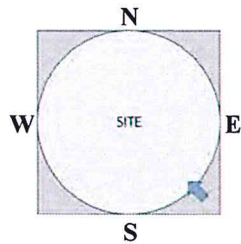
View of site from the north (Armory Drive Site)



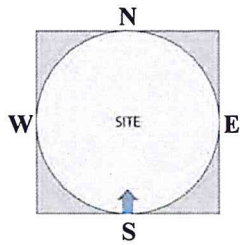
View of site from the northeast (Armory Drive Site)



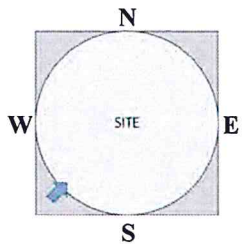
View of site from the east (Armory Drive Site)



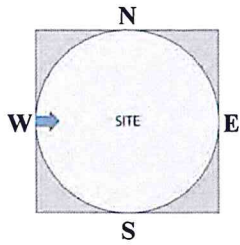
View of site from the southeast (Armory Drive Site.)



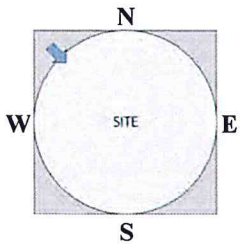
View of site from the south (Armory Drive Site)



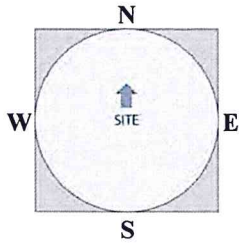
View of site from the southwest (Armory Drive Site)



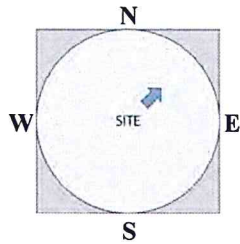
View of site from the west (Armory Drive Site)



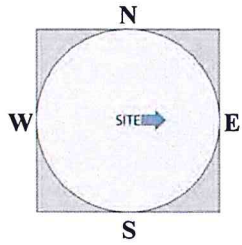
View of site from the northwest (Armory Drive Site)



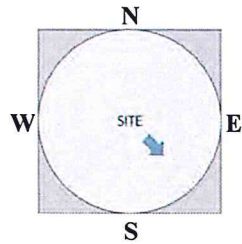
North view from site (Armory Drive Site)



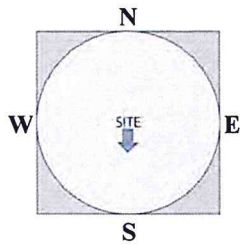
Northeast view from site (Armory Drive Site)



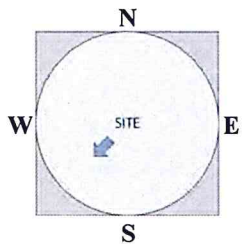
East view from site (Armory Drive Site)



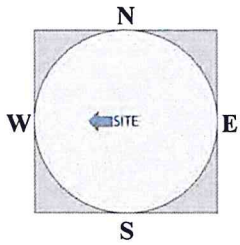
Southeast view from site (Armory Drive Site)



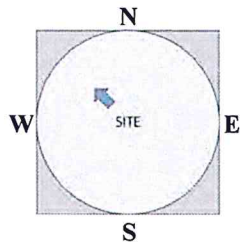
South view from site (Armory Drive Site)



Southwest view from site (Armory Drive Site)



West view from site (Armory Drive Site)



Northwest view from site (Armory Drive Site)



Streetscape Chamblin Street view northeast (Armory Drive Site)



Streetscape Chamblin Street view southwest (Armory Drive Site)



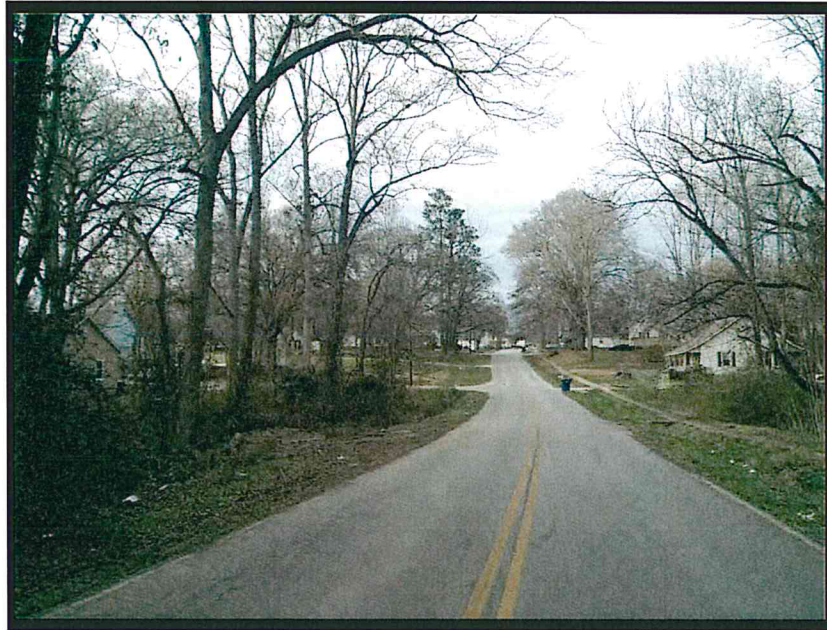
Streetscape Armory Drive view northwest (Armory Drive Site)



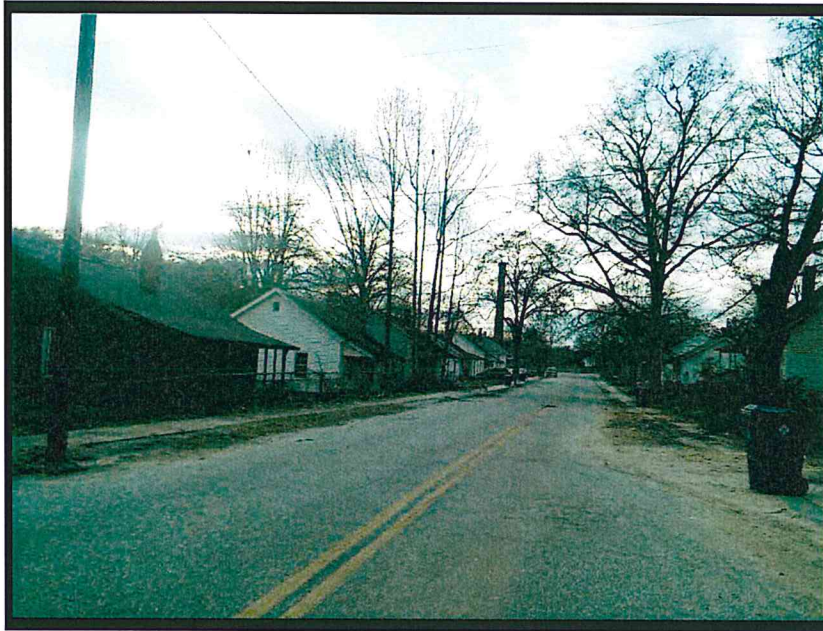
Streetscape Armory Drive view southeast (Armory Drive Site)



Streetscape Pearson Street view northeast (Armory Drive Site)



Streetscape Pearson Street view southwest (Armory Drive Site)



Streetscape Beason Street view northwest (Armory Drive Site.)



Streetscape Beason Street view southeast (Armory Drive Site)

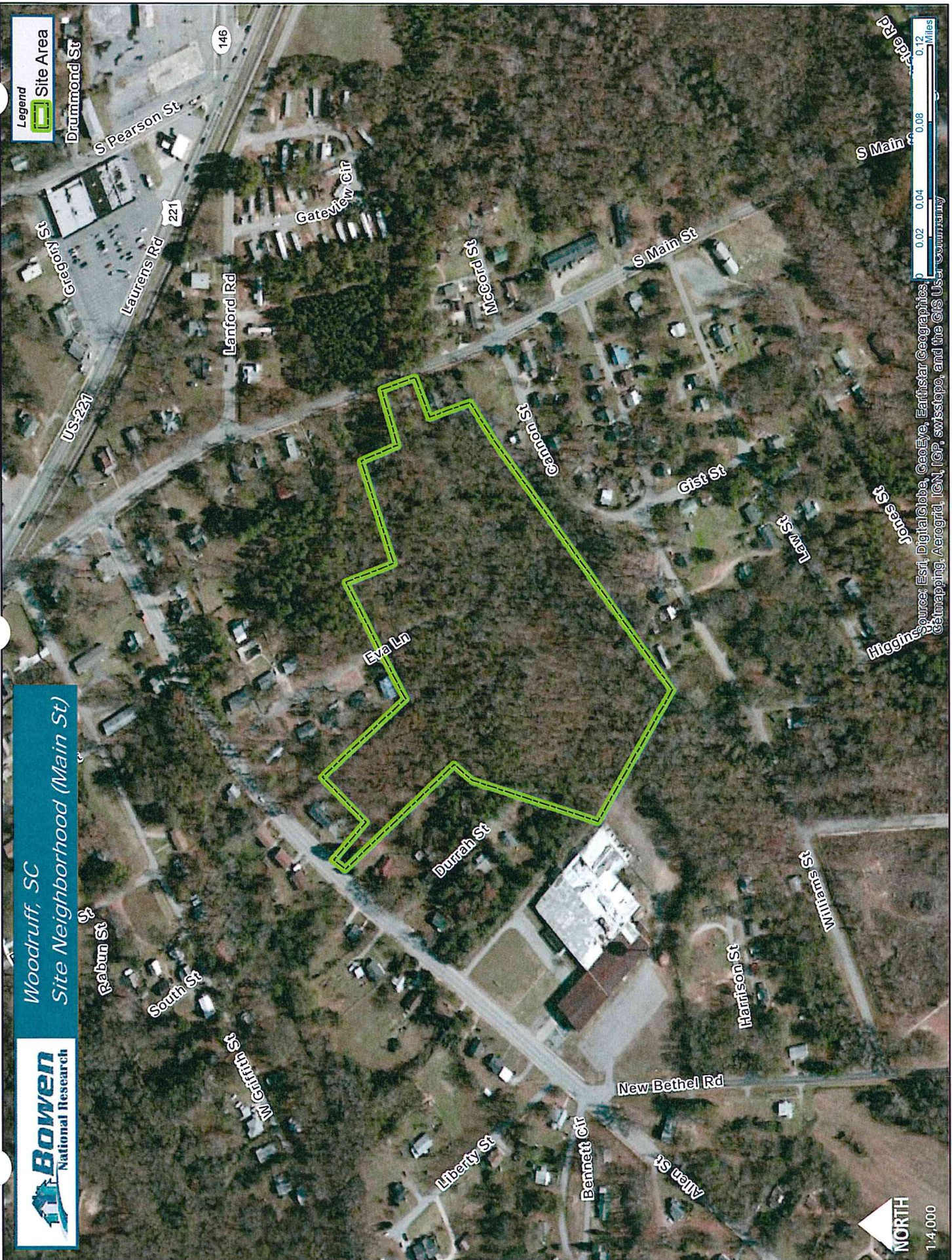
5. SITE AND COMMUNITY SERVICES MAPS

Maps of the subject site and relevant community services follow.

Woodruff, SC
Site Neighborhood (Main St)



Legend
 Site Area



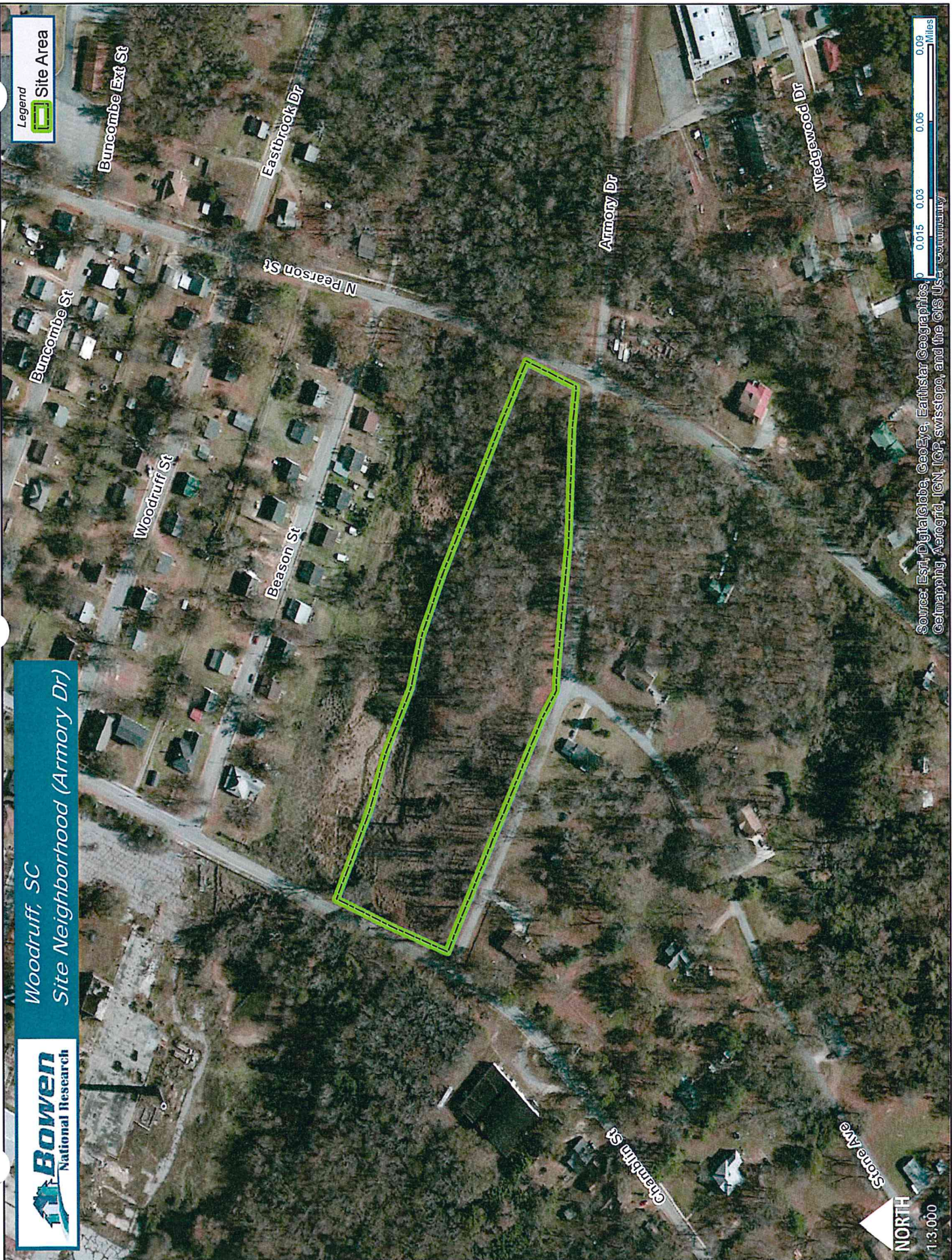
Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNR Aero, swisstopo, IGN, IGP, swisstopo, and the GIS User Community

 NORTH
1:4,000

Woodruff, SC
Site Neighborhood (Armory Dr)



Legend
 Site Area



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNR Aero, IGN, GP, swisstopo, and the GIS User Community

0.015 0.03 0.06 0.09 Miles

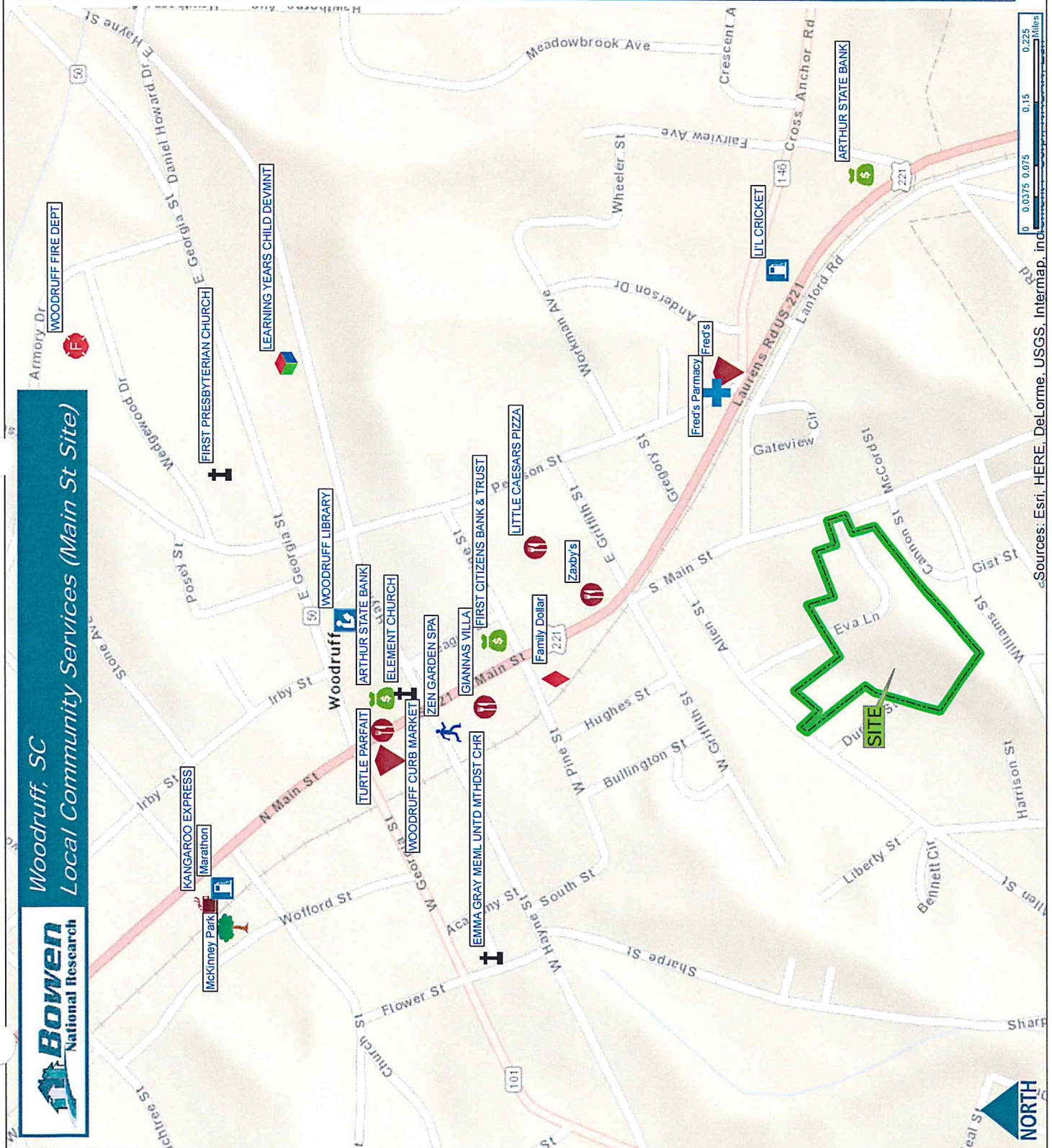
NORTH
1:3,000



Woodruff, SC Local Community Services (Main St Site)

Legend

- Site Area
- bank
- child care
- church
- convenience store
- fire
- fitness center
- gas
- grocery
- library
- park
- pharmacy
- restaurant
- shopping



1:10,000

Source: Esri, HERE, DeLorme, USGS, Intermap, i

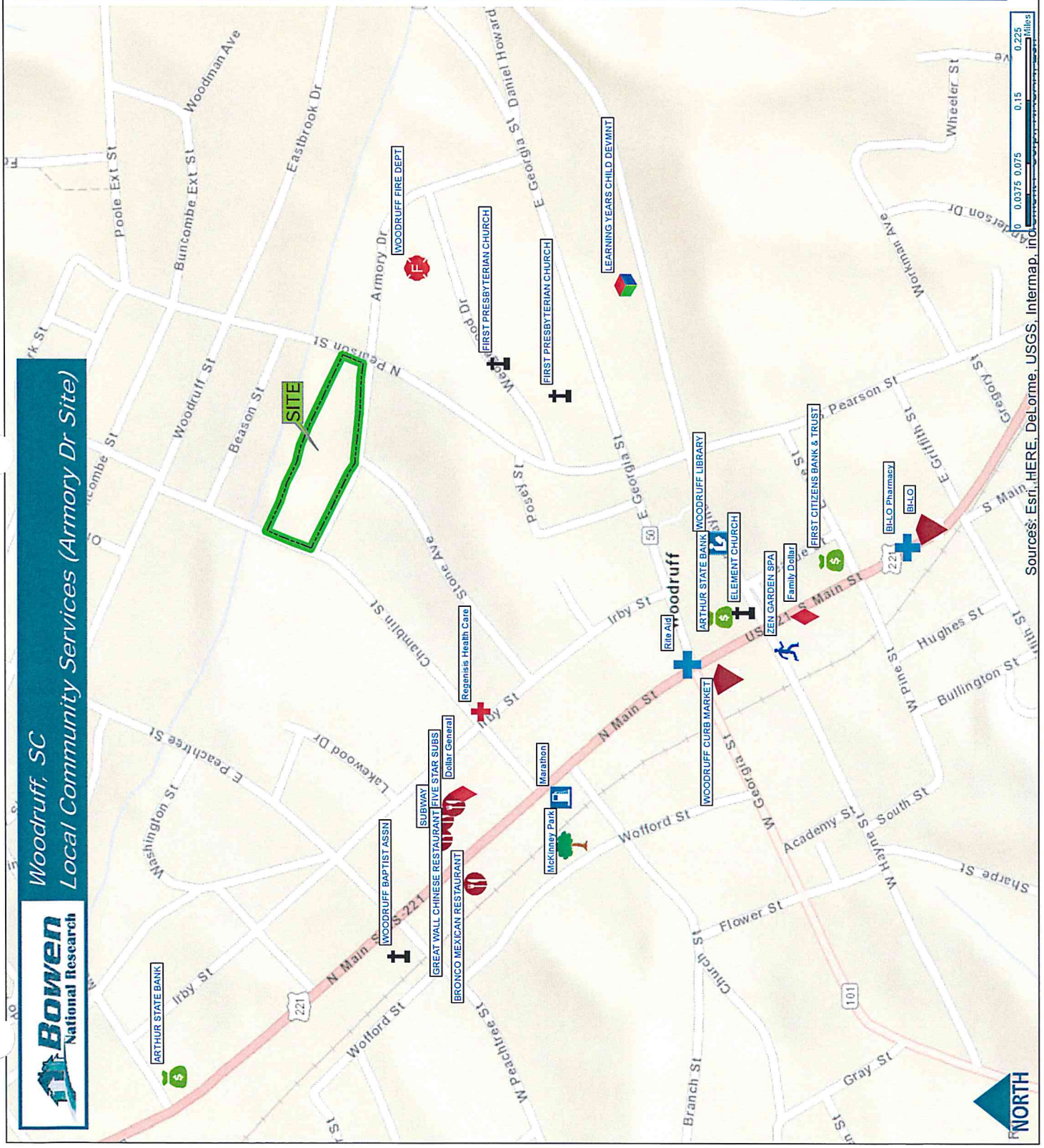


Woodruff, SC
Local Community Services (Armory Dr Site)



Legend

- Site Area
- bank
- child care
- church
- fire
- fitness center
- gas
- grocery
- library
- park
- pharmacy
- restaurant
- shopping



1:10,000

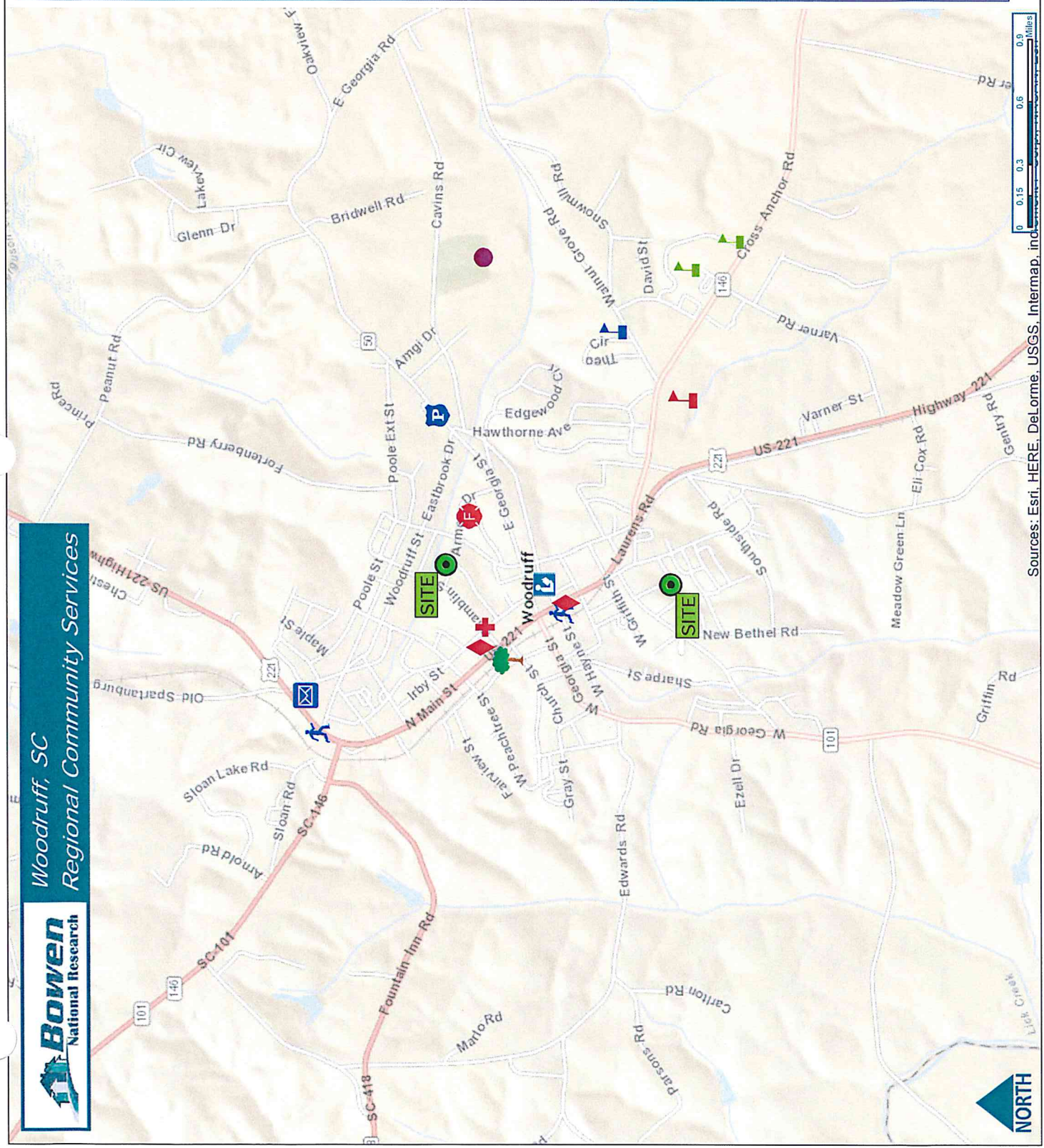
Sources: Esri, HERE, DeLorme, USGS, Intermap, inc





Woodruff, SC Regional Community Services

- Legend**
- Site
 - elementary school
 - fire
 - fitness center
 - high school
 - library
 - medical center
 - middle school
 - park
 - police
 - post office
 - recreation center
 - shopping



1:40,000

Sources: Esri, HERE, DeLorme, USGS, Intermap, inc



6. ROAD AND INFRASTRUCTURE IMPROVEMENTS

Both site locations are within 0.4 miles of U.S. Highway 221. According to local planning and zoning officials, no significant road construction or infrastructure improvements are planned for the immediate neighborhood.

7. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (137) for the Site PMA is above the national average with an overall personal crime index of 176 and a property crime index of 130. Total crime risk (163) for Spartanburg County is above the national average with indexes for personal and property crime of 207 and 155, respectively.

	Crime Risk Index	
	Site PMA	Spartanburg County
Total Crime	137	163
Personal Crime	176	207
Murder	143	139
Rape	127	147
Robbery	90	128
Assault	252	303
Property Crime	130	155
Burglary	148	163
Larceny	141	172
Motor Vehicle Theft	79	107

Source: Applied Geographic Solutions

As the preceding table illustrates, the crime risk indices for both the Site PMA (137) and Spartanburg County (163) are above the national average (100). However, despite these relatively high indices, this has not had a factor in the marketability of the existing rental developments surveyed within the market, as evidenced by their generally high occupancy rates. It is not anticipated that crime will play a significant role in the proposed development's marketability.

A map illustrating crime risk is on the following page.

Woodruff, SC
2014 Crime Risk



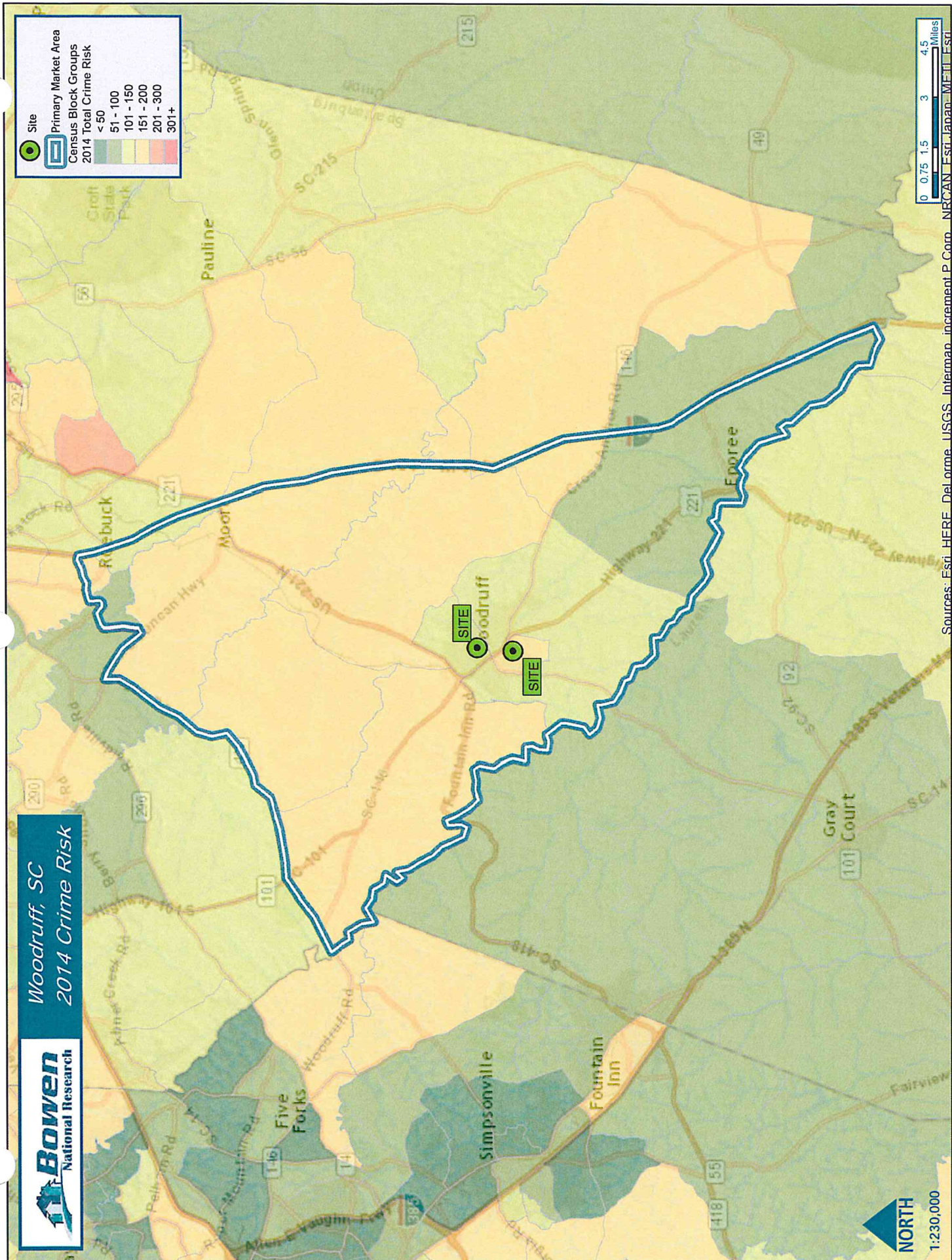
Site

Primary Market Area

Census Block Groups

2014 Total Crime Risk

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



NORTH
1:230,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

8. ACCESS AND VISIBILITY

Both site locations are established residential areas, with light vehicular traffic patterns along the surrounding roadways. Ingress and egress are considered easy, with clear lines of sight provided in both directions. U.S. Highway 221 is within 0.4 miles of both site locations. Overall, access is considered good. Neither site location is visible from arterial roadways and promotional signage is recommended along U.S. Highway 221, a moderately-travelled roadway, to increase its awareness during the initial lease-up process.

9. VISIBLE OR ENVIRONMENTAL ISSUES

As noted, *Site 1 (Main Street)* is located within close proximity to railroad tracks. Although this may create various audible disturbances, it is not believed that the presence of the railroad tracks will have a significant adverse impact on the subject's marketability. There are various established, occupied residential dwellings within the immediate neighborhood, providing evidence that the railroad tracks have not been a deterrent for residential development.

10. OVERALL SITE CONCLUSIONS

Both site locations are established residential areas in Woodruff. These surrounding land uses are consistent with the residential nature of the proposed development. Access is considered good, as both site locations are within 0.4 miles of U.S. Highway 221. Visibility of the subject site is obstructed by the surrounding land uses from arterial roadways and promotional signage is recommended along U.S. Highway 221 to increase its awareness during its initial lease-up process. The subject project is located within 1.0 mile of most community services including grocery stores, pharmacies, restaurants, banks, gas station/convenience stores, a park and discount shopping. Overall, we expect the site's location and proximity to community services to have a positive impact on its marketability.

D. PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the proposed project is expected to originate. The Woodruff Site PMA was determined through interviews with area leasing and real estate agents and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Site PMA includes the census designated cities of Woodruff and Enoree, as well as the surrounding unincorporated areas of Spartanburg County. The boundaries of the Site PMA consist of State Route 417, State Route 290 and Anderson Mill Road to the north; Interstate 26 to the east; and Spartanburg County/Enoree River to the south and west. The Site PMA comprises Census Tract numbers:

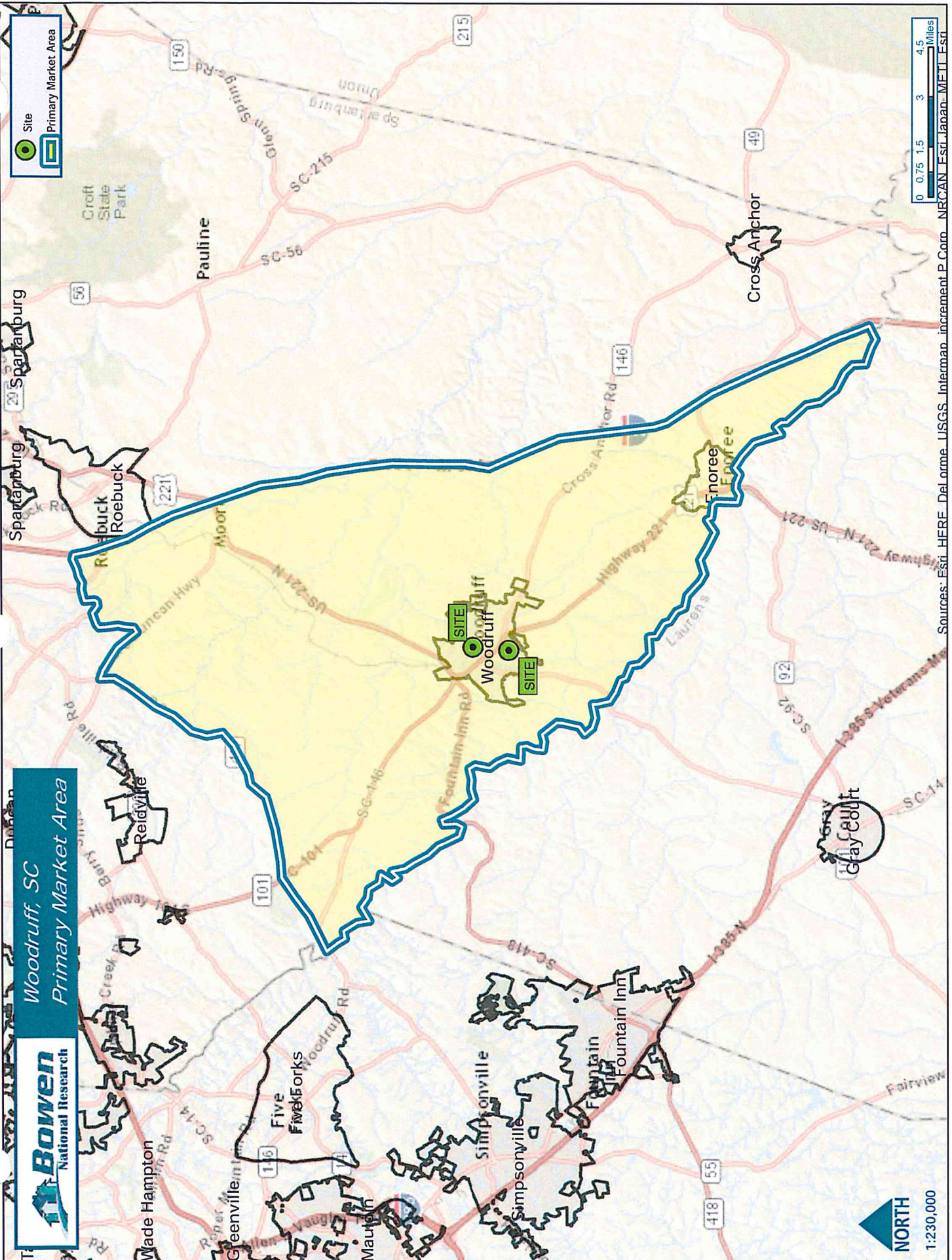
220.05	220.06	234.02	235.00
236.00*	237.00	238.02	

*Site location

Jeanie Knight, Property Manager of Woodruff Arms (Map ID 2), a Tax Credit and government-subsidized community in Woodruff, stated that the majority of her support originates from Woodruff and the surrounding areas of Spartanburg County. Ms. Knight explained that she does not receive support from Gray Court and Five Forks, thus confirming the Site PMA.

A small portion of support will likely originate from some of the outlying smaller areas of the Site PMA; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.



Woodruff, SC
Primary Market Area



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Corp., NRCAN, Esri, Japan, METI, Esri

E. MARKET AREA ECONOMY

1. EMPLOYMENT BY INDUSTRY

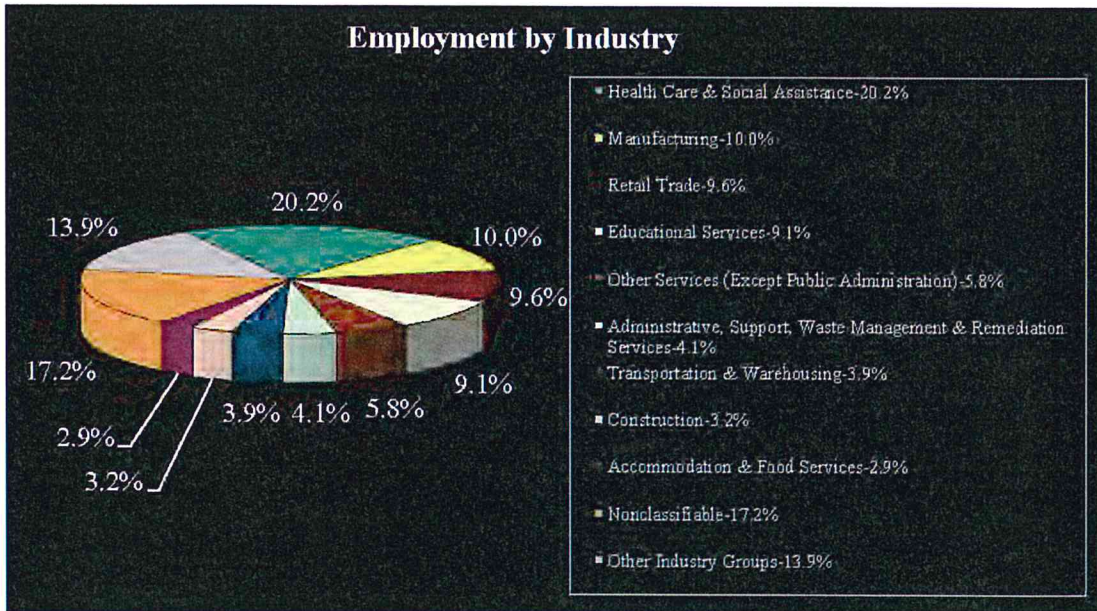
The labor force within the Woodruff Site PMA is based primarily in two sectors. Health Care & Social Assistance (which comprises 20.2%) and Manufacturing comprise over 30% of the Site PMA labor force. Non-classifiable jobs comprised over 17% of the labor force. Employment in the Woodruff Site PMA, as of 2014, was distributed as follows:

NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	24	4.0%	41	0.9%	1.7
Mining	0	0.0%	0	0.0%	0.0
Utilities	3	0.5%	25	0.6%	8.3
Construction	58	9.7%	138	3.2%	2.4
Manufacturing	26	4.3%	439	10.0%	16.9
Wholesale Trade	22	3.7%	93	2.1%	4.2
Retail Trade	59	9.8%	420	9.6%	7.1
Transportation & Warehousing	18	3.0%	172	3.9%	9.6
Information	10	1.7%	77	1.8%	7.7
Finance & Insurance	20	3.3%	119	2.7%	6.0
Real Estate & Rental & Leasing	22	3.7%	59	1.3%	2.7
Professional, Scientific & Technical Services	50	8.3%	116	2.7%	2.3
Management of Companies & Enterprises	2	0.3%	3	0.1%	1.5
Administrative, Support, Waste Management & Remediation Services	100	16.6%	180	4.1%	1.8
Educational Services	13	2.2%	400	9.1%	30.8
Health Care & Social Assistance	34	5.7%	885	20.2%	26.0
Arts, Entertainment & Recreation	7	1.2%	44	1.0%	6.3
Accommodation & Food Services	26	4.3%	125	2.9%	4.8
Other Services (Except Public Administration)	94	15.6%	252	5.8%	2.7
Public Administration	13	2.2%	33	0.8%	2.5
Nonclassifiable	0	0.0%	753	17.2%	0.0
Total	601	100.0%	4,374	100.0%	7.3

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA. These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



2. LOW-INCOME EMPLOYMENT OPPORTUNITIES

Typical wages by job category for the Spartanburg Metropolitan Statistical Area (MSA) are compared with those of South Carolina in the following table:

Typical Wage by Occupation Type		
Occupation Type	Spartanburg MSA	South Carolina
Management Occupations	\$101,580	\$94,400
Business and Financial Occupations	\$60,010	\$59,050
Computer and Mathematical Occupations	\$57,500	\$64,430
Architecture and Engineering Occupations	\$71,230	\$73,510
Community and Social Service Occupations	\$42,260	\$38,260
Art, Design, Entertainment and Sports Medicine Occupations	\$48,060	\$41,730
Healthcare Practitioners and Technical Occupations	\$66,240	\$66,190
Healthcare Support Occupations	\$26,420	\$25,350
Protective Service Occupations	\$30,890	\$33,200
Food Preparation and Serving Related Occupations	\$18,910	\$19,650
Building and Grounds Cleaning and Maintenance Occupations	\$23,270	\$22,470
Personal Care and Service Occupations	\$21,260	\$22,220
Sales and Related Occupations	\$32,350	\$30,800
Office and Administrative Support Occupations	\$30,220	\$31,460
Construction and Extraction Occupations	\$37,140	\$37,050
Installation, Maintenance and Repair Occupations	\$41,960	\$40,660
Production Occupations	\$37,850	\$34,720
Transportation and Moving Occupations	\$31,050	\$30,290

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$18,910 to \$48,060 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$71,312. It is important to note that most occupational types within the MSA have similar typical wages than the State of South Carolina's typical wages. The area employment base has a significant number of income-appropriate occupations from which the proposed subject project will be able to draw renter support.

3. AREA'S LARGEST EMPLOYERS

The ten largest private employers within the Spartanburg County area comprise a total of 17,653 employees. These employers are summarized as follows:

Industry	Business Type	Total Employed
BMW Manufacturing Corporation	Manufacturing	8,000
Michelin North American, Incorporated	Manufacturing	3,085
Milliken & Company	Manufacturing	1,176
Cryovac Division-Sealed Air Corporation	Manufacturing	1,100
Adidas	Manufacturing	1,000
Draexlmaier Automotive of America LLC	Manufacturing	800
AFL	Manufacturing	670
Inman Holding Company, Incorporated	Manufacturing	652
Spartanburg Steel Products	Manufacturing	650
Kohler Company	Manufacturing	520
Total		17,653

Source: Manufacturers News, Inc.; SC Dept. of Commerce Directory; and individual employers; December 2014

Note that the majority of these top employers are located within the greater Spartanburg area. Spartanburg is approximately 17.0 miles (approximately 24 minutes) northeast of Woodruff, and it is likely that many residents within Woodruff commute to Spartanburg for their place of employment.

Despite numerous attempts to contact local economic representatives, such individuals have not responded to our request for information. The following was obtained per our online research regarding Spartanburg County:

- In February 2014, Toray Industries, Incorporated announced the construction of a new facility in Moore, a \$1 billion investment. This is anticipated to create approximately 500 jobs within the next 10 years.
- Construction began in February 2014 on the \$2.3 million Wall Street project, a new mixed-use development located on the corner of Broad and Wall streets in downtown Spartanburg. Apartments will be located on the second and third floors and consist of one- and two-bedrooms with rents ranging from about \$800 to \$1,200.

- In March 2014, BMW Group announced plans to invest \$1 billion over the next two years and add approximately 800 jobs by 2016 in Spartanburg County.
- In April 2014, Copac Global Packaging announced it will invest \$14.8 million to expand its Spartanburg facility. This is expected to create 32 jobs.
- In May 2014, Trelleborg Wheel Systems announced plans to invest \$50 million at their Spartanburg County facility which is expected to create 150 jobs by 2018.
- In July 2014, Mohawk Industries announced that it will invest \$10 million over the next ten years and create approximately 20 jobs by upgrading their Landrum manufacturing plant.
- In August 2014, Bosch Security Systems announced that they will be leasing a new building in Greer and will also build a new distribution center in Spartanburg County, anticipated to create approximately 50 jobs within the next five years.
- In October 2014, F3 Engineering announced that it is relocating to Spartanburg and will invest \$3.9 million and create approximately 53 new jobs over three years.
- In January 2015, Schaeffler Group USA announced plans to invest \$1.4 million in their Spartanburg's plant to upgrade equipment. Schaeffler Group USA is investing a total of \$163.8 million at all three of their plants in South Carolina which will create a total of 440 new jobs. The Spartanburg's upgrades are expected to be completed in 2016.
- Also in January 2015, Kobelco Construction Machinery Company Limited announced that they will be building a facility in Moore, anticipated to create over 130 jobs. Construction is expected to be completed in December 2015.
- Rite Aid announced plans in January 2015 to build a new \$90 million distribution center in Spartanburg and is expected to open the center in 2016. This is anticipated to create approximately 600 jobs.
- PecTec Corporation announced in January 2015 that they will be investing \$2 million to establish its first U.S. manufacturing facility in Spartanburg County. The investment is expected to generate approximately 15 new jobs.

- In February 2015, Polydeck Screen Corporation announced a \$12 million expansion, which will create 40 jobs over the next five years, to their Spartanburg location. The company has purchased a building and four acres next to its existing facility.
- Bass Pro Shop announced plans in 2014 that they will build a 120,000-square-foot facility by 2016 near Interstate 85 and Highway 101 in Spartanburg County and create approximately 200 to 225 jobs. The plans also include retail, hotels and restaurants on the 75 acre mixed-use development. In 2015 they also purchased a 150,000 square-foot building for \$2.6 million in Inman and plan to expand the facility.
- In 2015 local developers announced their plans to build a \$20 million hotel that will consist of 100 rooms in downtown Spartanburg.
- Memorial Airport in downtown Spartanburg will be undergoing \$25 million in expansions beginning in 2015 and will occur in phases over the next three years. The expansion is expected to be complete by the end of 2016.
- Renovations and expansions began in 2013 at the Greenville-Spartanburg International Airport with a \$125 million investment which include the expansion of the terminal facilities, new Transportation Security Administration checkpoint, new baggage handling system, restaurant and addition tenant space. Estimated completion is spring 2016 and will be constructed in phases.

WARN (layoff notices):

According to the South Carolina Works website, there has been no WARN notices of large-scale layoffs/closures reported for Spartanburg County since January 2014.

4. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

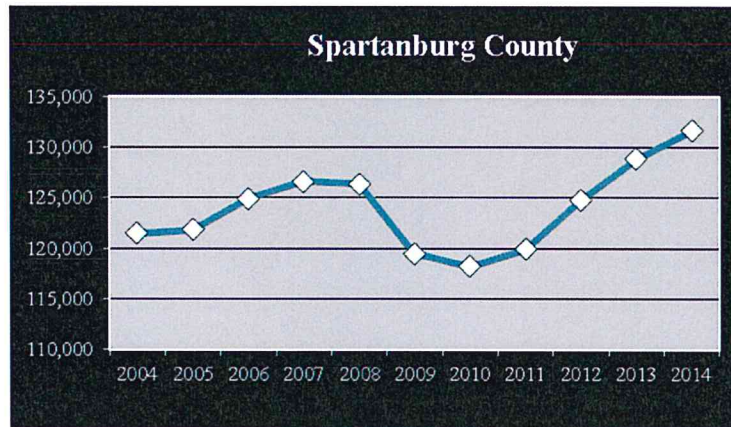
Excluding 2014, the employment base has increased by 7.9% over the past five years in Spartanburg County, more than the South Carolina state increase of 5.4%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Spartanburg County, South Carolina and the United States.

Year	Total Employment					
	Spartanburg County		South Carolina		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2004	121,489	-	1,894,141	-	139,967,126	-
2005	121,861	0.3%	1,929,233	1.9%	142,299,506	1.7%
2006	124,936	2.5%	1,973,337	2.3%	145,000,043	1.9%
2007	126,674	1.4%	2,005,686	1.6%	146,388,369	1.0%
2008	126,430	-0.2%	1,996,409	-0.5%	146,047,748	-0.2%
2009	119,499	-5.5%	1,910,670	-4.3%	140,696,560	-3.7%
2010	118,265	-1.0%	1,915,045	0.2%	140,457,589	-0.2%
2011	119,916	1.4%	1,942,109	1.4%	141,727,933	0.9%
2012	124,786	4.1%	1,978,328	1.9%	143,566,680	1.3%
2013	128,898	3.3%	2,013,452	1.8%	144,950,662	1.0%
2014*	131,681	2.2%	2,056,136	2.1%	146,735,092	1.2%

Source: Department of Labor; Bureau of Labor Statistics

*Through December



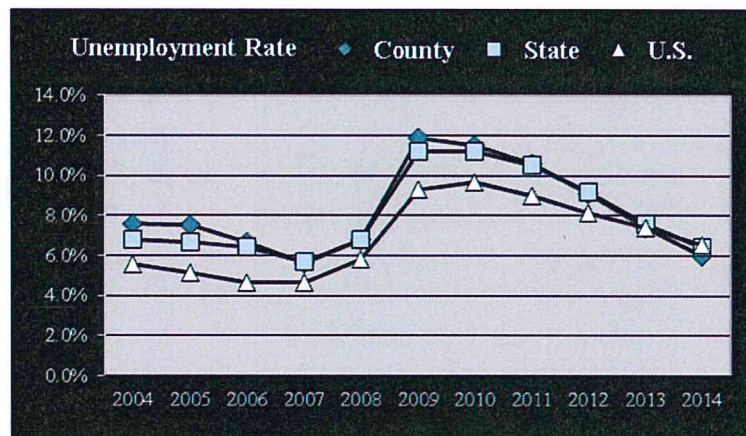
Despite the significant decline in the county's employment base between 2008 and 2010 during the national recession, it has generally trended upward within the past 10 years. The employment base is currently above prerecession levels and increased by 13,416 employees, or 11.3%, since 2010. These trends indicate that the local economy is well beyond the stages of recovery.

Unemployment rates for Spartanburg County, South Carolina and the United States are illustrated as follows:

Year	Total Unemployment					
	Spartanburg County		South Carolina		United States	
	Number	Percent	Number	Percent	Number	Percent
2004	9,958	7.6%	139,169	6.8%	8,261,839	5.6%
2005	9,830	7.5%	139,366	6.7%	7,756,938	5.2%
2006	8,901	6.7%	135,760	6.4%	7,118,073	4.7%
2007	7,579	5.6%	120,205	5.7%	7,187,820	4.7%
2008	9,280	6.8%	145,823	6.8%	9,048,051	5.8%
2009	16,130	11.9%	242,075	11.2%	14,430,156	9.3%
2010	15,328	11.5%	240,623	11.2%	15,068,747	9.7%
2011	14,207	10.6%	228,937	10.5%	14,029,523	9.0%
2012	12,440	9.1%	199,830	9.2%	12,688,021	8.1%
2013	10,242	7.4%	166,641	7.6%	11,629,596	7.4%
2014*	8,432	6.0%	141,451	6.4%	10,261,373	6.5%

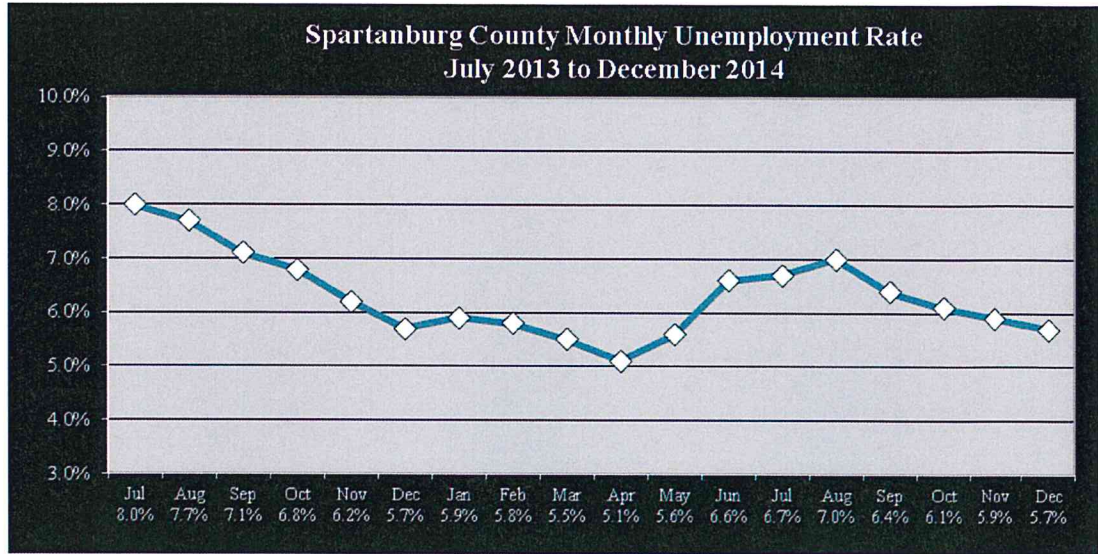
Source: Department of Labor; Bureau of Labor Statistics

*Through December



The unemployment rate in Spartanburg County has ranged between 5.6% and 11.9%, generally similar with the state average since 2004. The unemployment rate in the county increased by six percentage points between 2007 and 2009, indicating that the county's economy faced challenges similar to those experienced by much of the country during the national recession. Since 2009, the county's unemployment rate has consistently decreased and is at its lowest level at 6.0% since 2007 of 5.6%

The following table illustrates the monthly unemployment rate in Spartanburg County for the most recent 18-month period for which data is currently available.



Despite fluctuations, the unemployment rate within Spartanburg County has generally trended downward during the past 18 months.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Spartanburg County.

In-Place Employment Spartanburg County			
Year	Employment	Change	Percent Change
2004	114,866	-	-
2005	115,190	324	0.3%
2006	116,837	1,647	1.4%
2007	119,036	2,199	1.9%
2008	119,670	634	0.5%
2009	111,150	-8,520	-7.1%
2010	109,848	-1,302	-1.2%
2011	111,288	1,440	1.3%
2012	114,561	3,273	2.9%
2013	119,385	4,824	4.2%
2014*	122,149	2,764	2.3%

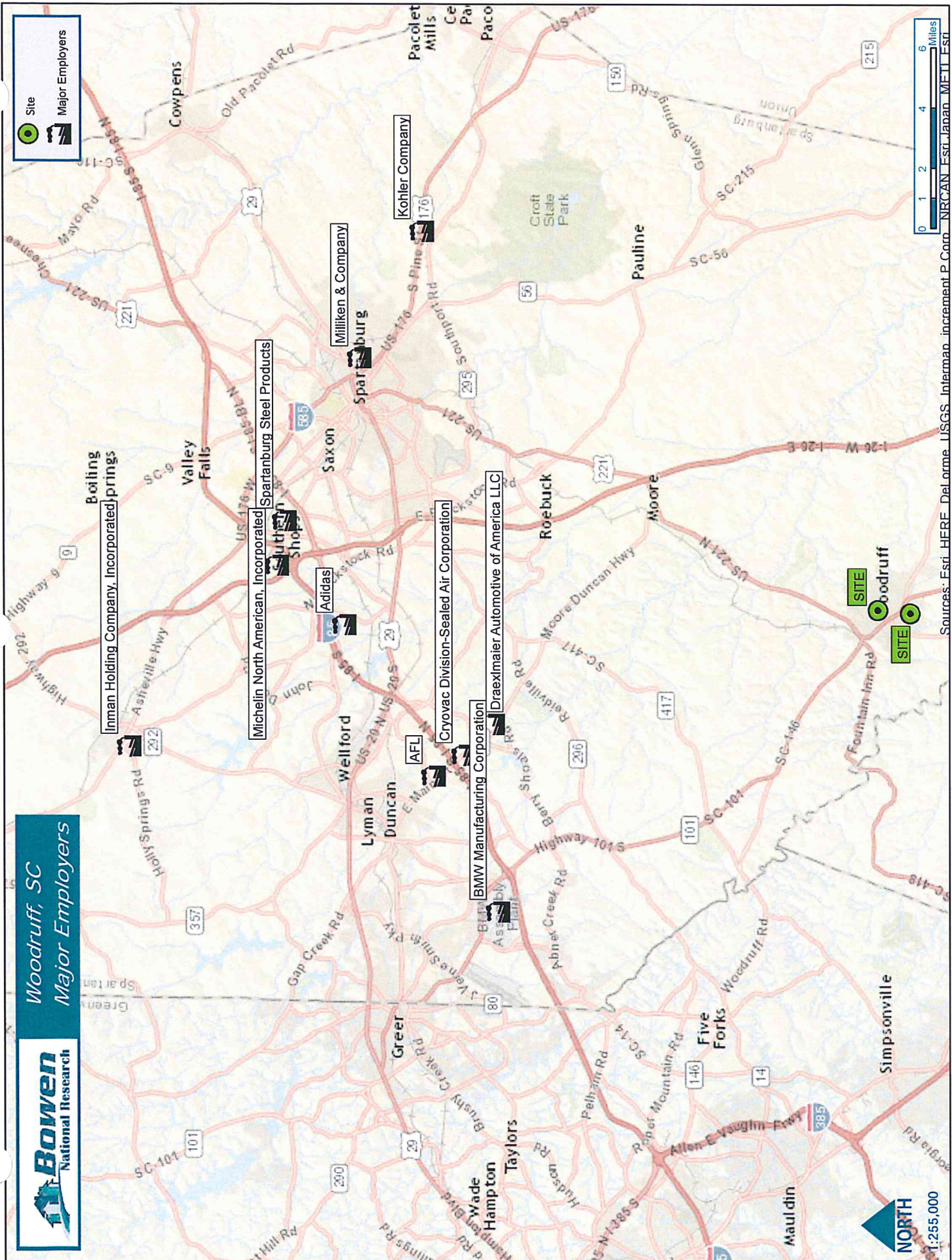
Source: Department of Labor, Bureau of Labor Statistics

*Through September

Data for 2013, the most recent year that year-end figures are available, indicates in-place employment in Spartanburg County to be 92.6% of the total Spartanburg County employment. This means that Spartanburg County has more employed persons staying in the county for daytime employment than those who work outside of the county. This will have a positive impact on the subject's marketability, as it is likely that the site's residents will have minimal commute times to their place of employment.

5. EMPLOYMENT CENTERS MAP

A map illustrating the location of the area's largest employers is included on the following page.



6. COMMUTING PATTERNS

Based on the American Community Survey (2006-2010), the following is a distribution of commuting patterns for Site PMA workers age 16 and over:

Mode of Transportation	Workers Age 16+	
	Number	Percent
Drove Alone	4,852	86.9%
Carpooled	586	10.5%
Public Transit	2	0.0%
Walked	36	0.7%
Other Means	45	0.8%
Worked at Home	64	1.1%
Total	5,585	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

Nearly 87% of all workers drove alone and 10.5% carpooled.

Typical travel times to work for the Site PMA residents are illustrated as follows:

Travel Time	Workers Age 16+	
	Number	Percent
Less Than 15 Minutes	1,070	19.2%
15 to 29 Minutes	2,263	40.5%
30 to 44 Minutes	1,731	31.0%
45 to 59 Minutes	242	4.3%
60 or More Minutes	217	3.9%
Worked at Home	64	1.1%
Total	5,585	100.0%

Source: American Community Survey (2006-2010); ESRI; Urban Decision Group; Bowen National Research

The largest share of area commuters has typical travel times to work ranging from 15 to 29 minutes. The subject site is within a 30-minute drive to most of the area's largest employers, which should contribute to the project's marketability. A drive-time map for the subject site is on the following page.

Woodruff, SC
Drive Time from Site

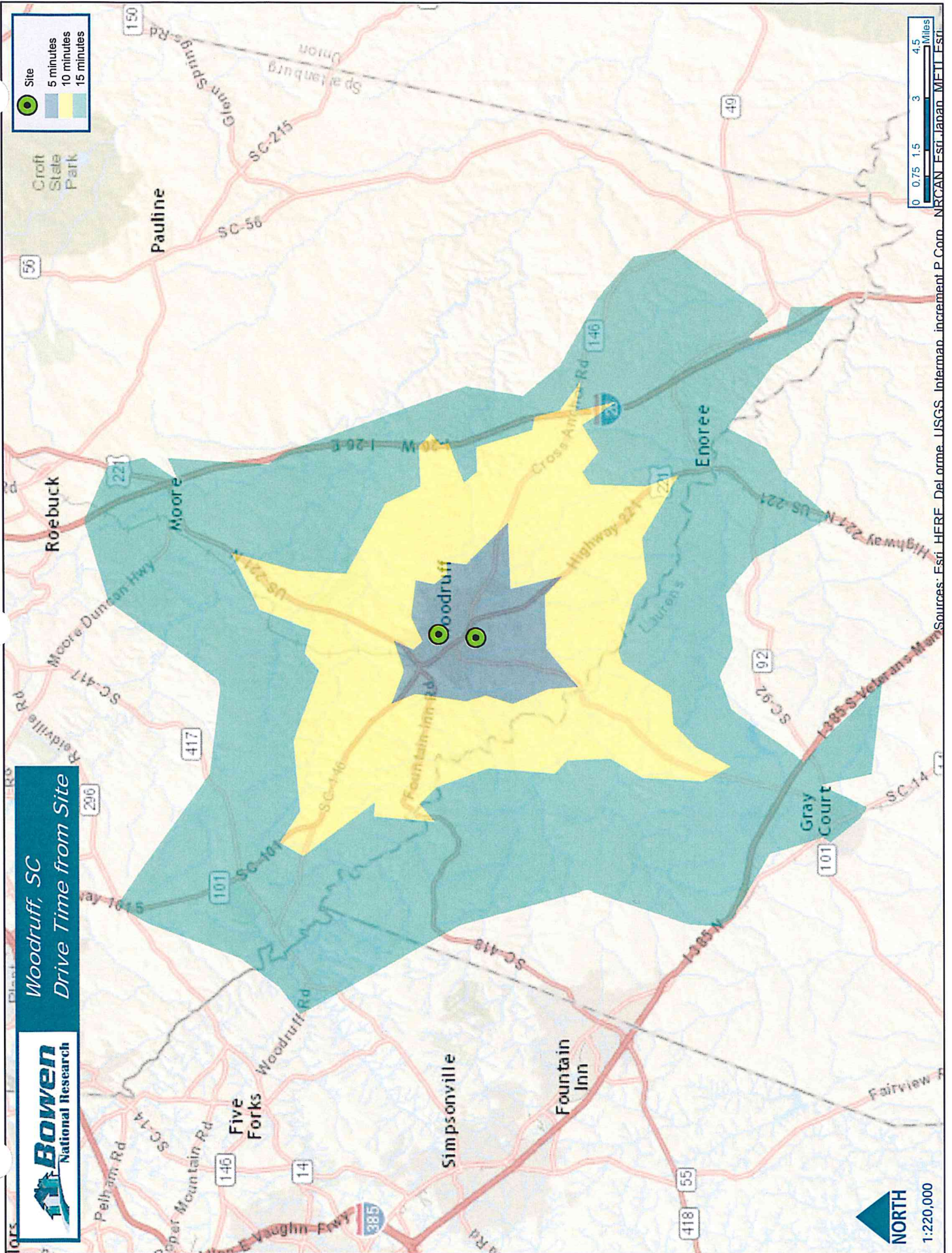


Site

- 5 minutes
- 10 minutes
- 15 minutes



NORTH
1:220,000



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

7. ECONOMIC FORECAST AND HOUSING IMPACT

Based on our online research and data provided by the U.S. Department of Labor: Bureau of Labor Statistics, the Spartanburg County is continuously growing. Notably, over \$2.5 billion has or will be invested within the county in the next ten years, creating over 3,000 jobs. Additionally, aside from a downturn between 2008 and 2010, the employment base within the county has consistently increased over the preceding five-year period. In fact, the employment base has increased by 13,416 employees, or 11.3%, since 2010 and is currently above prerecession levels. Further, the unemployment rate has consistently decreased since 2009 and is at its lowest level (6.0%) since 2007 (5.6%), below both state (6.4%) and national averages (6.5%) averages. Considering these positive economic trends, we believe the area economy will continue to create a stable environment for affordable housing.

F. COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2017 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2017 projections do not vary more than 1.0%.

1. POPULATION TRENDS

a. Total Population

The Site PMA population bases for 2000, 2010, 2014 (estimated) and 2017 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Population	14,369	15,321	15,457	15,659
Population Change	-	952	136	202
Percent Change	-	6.6%	0.9%	1.3%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Since 2000, the market's population base has generally been stable. The population base within the Site PMA is anticipated to remain relatively stable through 2017.

Based on the 2010 Census, the population residing in group-quarters is represented by 1.3% of the Site PMA population, as demonstrated in the following table:

	Number	Percent
Population in Group Quarters	202	1.3%
Population not in Group Quarters	15,119	98.7%
Total Population	15,321	100.0%

Source: 2010 Census

b. Population by Age Group

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2014 (Estimated)		2017 (Projected)		Change 2014-2017	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	4,168	27.2%	3,906	25.3%	3,902	24.9%	-4	-0.1%
20 to 24	822	5.4%	904	5.8%	836	5.3%	-68	-7.6%
25 to 34	1,635	10.7%	1,734	11.2%	1,795	11.5%	61	3.5%
35 to 44	2,082	13.6%	1,929	12.5%	1,887	12.1%	-42	-2.2%
45 to 54	2,370	15.5%	2,297	14.9%	2,230	14.2%	-67	-2.9%
55 to 64	2,044	13.3%	2,172	14.1%	2,252	14.4%	80	3.7%
65 to 74	1,319	8.6%	1,590	10.3%	1,726	11.0%	136	8.5%
75 & Over	880	5.7%	925	6.0%	1,032	6.6%	107	11.5%
Total	15,320	100.0%	15,457	100.0%	15,659	100.0%	202	1.3%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, nearly 53% of the population is expected to be between 25 and 64 years old in 2014. This age group is the prime group of potential renters for the subject site and will likely represent a significant number of the tenants.

c. Elderly and Non-Elderly Population

The subject project is not age-restricted; therefore, all person with appropriate incomes will be eligible to live at the subject development. As a result, we have not included an analysis of the PMA's senior and non-senior population.

d. Special Needs Population

The subject project will not offer special needs units. Therefore, we have not provided any population data regarding special needs populations.

e. Minority Concentrations

As requested by SCSHFDA, we have provided data regarding the composition of minorities within the site Census Tract. The following table compares the concentration of minorities in the state of South Carolina to the site Census Tract:

Minority Group	Statewide Share	Equal To or Greater Than	Site Census Tract Share
Total Minority Population	33.8%	33.8% + 20.0% = 53.8%	28.9%
Black or African American	27.9%	27.9% + 20.0% = 47.9%	23.0%
American Indian and Alaska Native	0.4%	0.4% + 20.0% = 20.4%	0.5%
Asian	1.3%	1.3% + 20.0% = 21.3%	0.8%
Native Hawaiian and Other Pacific Islander	0.1%	0.1% + 20.0% = 20.1%	0.2%
Hispanic or Latino	5.1%	5.1% + 20.0% = 25.1%	4.3%

Source: U.S. Census Bureau, 2010 Census

Based on the data in the preceding table, the site is not located within a Census Tract that is dominated by any particular minority group.

2. HOUSEHOLD TRENDS

a. Total Households

Household trends within the Woodruff Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2014 (Estimated)	2017 (Projected)
Households	5,444	5,880	5,954	6,035
Household Change	-	436	74	81
Percent Change	-	8.0%	1.3%	1.4%
Household Size	2.64	2.61	2.56	2.56

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Similar to population trends, the market's household base has been generally stable since 2000 and is projected to remain relatively stable through 2017.

b. Households by Tenure

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	4,463	75.9%	4,402	73.9%	4,452	73.8%
Renter-Occupied	1,417	24.1%	1,552	26.1%	1,583	26.2%
Total	5,880	100.0%	5,954	100.0%	6,035	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2014, homeowners occupied 73.9% of all occupied housing units, while the remaining 26.1% were occupied by renters. The 1,552 renter households in 2014 represent a sufficient base of potential support in the market for the subject development.

c. Households by Income

The distribution of households by income within the Woodruff Site PMA is summarized as follows:

Household Income	2010 (Census)		2014 (Estimated)		2017 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	367	6.2%	408	6.8%	409	6.8%
\$10,000 to \$19,999	965	16.4%	1,107	18.6%	1,096	18.2%
\$20,000 to \$29,999	693	11.8%	705	11.8%	710	11.8%
\$30,000 to \$39,999	720	12.2%	786	13.2%	785	13.0%
\$40,000 to \$49,999	564	9.6%	594	10.0%	599	9.9%
\$50,000 to \$59,999	446	7.6%	466	7.8%	472	7.8%
\$60,000 to \$74,999	691	11.7%	676	11.4%	687	11.4%
\$75,000 to \$99,999	720	12.2%	607	10.2%	631	10.5%
\$100,000 to \$124,999	367	6.2%	299	5.0%	314	5.2%
\$125,000 to \$149,999	127	2.2%	117	2.0%	128	2.1%
\$150,000 to \$199,999	159	2.7%	143	2.4%	151	2.5%
\$200,000 & Over	62	1.0%	46	0.8%	52	0.9%
Total	5,880	100.0%	5,954	100.0%	6,035	100.0%
Median Income	\$43,445		\$39,636		\$40,291	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$43,445. This declined by 8.8% to \$39,636 in 2014. By 2017, it is projected that the median household income will be \$40,291, an increase of 1.7% from 2014.

d. Average Household Size

Information regarding average household size is considered in 2. a. *Total Households* of this section.

e. Households by Income by Tenure

The following tables illustrate renter household income by household size for 2010, 2014 and 2017 for the Woodruff Site PMA:

Renter Households	2010 (Census)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	112	7	2	10	1	132
\$10,000 to \$19,999	174	86	25	25	57	367
\$20,000 to \$29,999	57	58	72	13	38	239
\$30,000 to \$39,999	22	74	93	115	11	314
\$40,000 to \$49,999	19	13	25	28	7	92
\$50,000 to \$59,999	29	2	0	6	54	91
\$60,000 to \$74,999	5	29	10	1	18	63
\$75,000 to \$99,999	10	48	3	0	3	65
\$100,000 to \$124,999	6	0	5	0	1	12
\$125,000 to \$149,999	2	3	2	2	10	19
\$150,000 to \$199,999	6	4	2	3	4	19
\$200,000 & Over	2	0	1	0	0	3
Total	444	325	240	203	206	1,417

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2014 (Estimated)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	127	7	3	11	1	149
\$10,000 to \$19,999	201	109	28	24	61	425
\$20,000 to \$29,999	66	65	80	15	39	265
\$30,000 to \$39,999	18	71	103	125	15	332
\$40,000 to \$49,999	20	14	23	28	11	96
\$50,000 to \$59,999	31	2	1	5	63	103
\$60,000 to \$74,999	5	36	13	3	15	73
\$75,000 to \$99,999	7	39	2	0	1	49
\$100,000 to \$124,999	7	0	3	0	2	12
\$125,000 to \$149,999	4	3	1	3	9	21
\$150,000 to \$199,999	4	8	2	4	3	22
\$200,000 & Over	2	0	2	1	0	5
Total	491	355	263	221	222	1,552

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Households	2017 (Projected)					Total
	1-Person	2-Person	3-Person	4-Person	5-Person+	
Less Than \$10,000	130	7	4	12	2	155
\$10,000 to \$19,999	201	107	30	24	59	422
\$20,000 to \$29,999	66	64	83	17	41	271
\$30,000 to \$39,999	18	69	102	126	14	328
\$40,000 to \$49,999	19	16	22	27	12	96
\$50,000 to \$59,999	36	2	2	6	66	111
\$60,000 to \$74,999	7	40	15	3	15	80
\$75,000 to \$99,999	11	44	3	0	2	60
\$100,000 to \$124,999	5	1	4	1	3	14
\$125,000 to \$149,999	3	3	1	3	10	20
\$150,000 to \$199,999	5	8	2	5	3	23
\$200,000 & Over	2	0	2	0	1	4
Total	504	359	270	224	227	1,583

Source: Ribbon Demographics; ESRI; Urban Decision Group

Data from the preceding tables is used in our demand estimates.

Demographic Summary

Over a quarter of the market is occupied by renter households. Overall, population and household trends have generally been stable since 2000 and are projected to remain relatively stable through 2017. Regardless, the 1,552 renter households in 2014 represent a sufficient base of potential support in the market for the subject development. As discussed later in Section H of this report, nearly all affordable rental housing communities surveyed in the market are 100.0% occupied. This indicates that there is pent-up demand for such housing and the continuing need for additional affordable housing options within the Site PMA, particularly when factoring in rent overburdened households or those living in substandard housing.

G. PROJECT-SPECIFIC DEMAND ANALYSIS

1. INCOME RESTRICTIONS

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit (LIHTC) program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within the Spartanburg, South Carolina MSA, which has a four-person median household income of \$51,100 for 2015. The project location, however, is eligible for the National Non-Metropolitan Income and Rent Floor adjustment. Therefore, the income restrictions for the subject project are based on the national non-metropolitan four-person median household income of \$54,100 in 2015. The subject property will be restricted to households with incomes up to 50% and 60% of AMHI. The following table summarizes the maximum allowable income by household size at various levels of AMHI:

Household Size	Maximum Allowable Income	
	50%	60%
One-Person	\$18,950	\$22,740
Two-Person	\$21,650	\$25,980
Three-Person	\$24,350	\$29,220
Four-Person	\$27,050	\$32,460
Five-Person	\$29,200	\$35,040

The largest proposed units (three-bedroom) at the subject site are expected to house up to five-person households. As such, the maximum allowable income at the subject site is \$35,040.

2. AFFORDABILITY

Leasing industry standards typically require households to have rent-to-income ratios of 25% to 30%. Pursuant to SCSHFDA market study guidelines, the maximum rent-to-income ratio permitted for a family project is 35% and for a senior project is 40%.

The proposed LIHTC units will have a lowest gross rent of \$525 (at 50% AMHI). Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,300. Applying a 35% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$18,000.

Based on the preceding analyses, the income-appropriate ranges required for residency at the subject project with units built to serve households at 50% and 60% of AMHI are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
Tax Credit (Limited To 50% Of AMHI)	\$18,000	\$29,200
Tax Credit (Limited To 60% Of AMHI)	\$19,200	\$35,040
Overall Project	\$18,000	\$35,040

3. DEMAND COMPONENTS

The following are the demand components as outlined by the South Carolina State Housing Finance and Development Authority:

- a. **Demand for New Households.** *New units required in the market area due to projected household growth should be determined using 2014 Census data estimates and projecting forward to the anticipated placed-in-service date of the project (2017) using a growth rate established from a reputable source such as ESRI. The population projected must be limited to the age and income cohort and the demand for each income group targeted (i.e. 50% of median income) must be shown separately.*

In instances where a significant number (more than 20%) of proposed rental units are comprised of three- and four-bedroom units, analysts must refine the analysis by factoring in the number of large households (generally four-person +). A demand analysis that does not consider this may overestimate demand.

- b. **Demand from Existing Households:** *The second source of demand should be determined using 2000 and 2010 Census data (as available), ACS 5 year estimates or demographic estimates provided by reputable companies. All data in tables should be projected from the same source:*

- 1) **Rent overburdened households, if any, within the age group, income cohorts and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent-overburdened analysis includes households paying greater than 35%, or in the case of elderly 40%, of their gross income toward gross rent rather than some greater percentage. If an analyst feels strongly that the rent-overburdened analysis should focus on a greater percentage, they must give an in-depth explanation why this assumption should be included. Any such additional indicators should be calculated separately and be easily added or subtracted from the required demand analysis.*

Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 15.0% to 23.9% (depending upon the targeted income level) of renter households within the market were rent overburdened. These households have been included in our demand analysis.

- 2) **Households living in substandard housing (units that lack complete plumbing or those that are overcrowded).** *Households in substandard housing should be adjusted for age, income bands and tenure that apply. The analyst should use their own knowledge of the market area and project to determine if households from substandard housing would be a realistic source of demand. The market analyst is encouraged to be conservative in their estimate of demand from both households that are rent-overburdened and/or living in substandard housing.*

Based on the 2010 ACS 5-Year Estimates Table B25016, 8.1% of all households within the market were living in substandard housing (lacking complete indoor plumbing and overcrowded households/1+ persons per room).

- 3) **Elderly Homeowners likely to convert to rentership:** *The Authority recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. A narrative of the steps taken to arrive at this demand figure should be included.*

The subject project is not age-restricted, thus we have not considered elderly homeowner conversion in our demand estimates.

- 4) **Other:** *Please note, the Authority does not, in general, consider household turnover rates other than those of elderly to be an accurate determination of market demand. However, if an analyst firmly believes that demand exists which is not being captured by the above methods, she/he may be allowed to consider this information in their analysis. The analyst may also use other indicators to estimate demand if they can be fully justified (e.g. an analysis of an under-built or over-built market in the base year). Any such additional indicators should be calculated separately and be easily added or subtracted from the demand analysis described above.*

4. METHODOLOGY

Please note that the Authority's stabilized level of occupancy is 93.0%

- a. **Demand:** The two overall demand components (3a and 3b) added together represent total demand for the project.
- b. **Supply:** Comparable/competitive units funded, under construction, or placed in service in 2014 must be subtracted to calculate net demand. Vacancies in projects placed in service prior to 2014 which have not reach stabilized occupancy must also be considered as part of the supply.
- c. **Capture Rates:** Capture rates must be calculated for each targeted income group and each bedroom size proposed as well as for the project overall.
- d. **Absorption Rates:** The absorption rate determination should consider such factors as the overall estimate of new renter household growth, the available supply of comparable/competitive units, observed trends in absorption of comparable/competitive units, and the availability of subsidies and rent specials.

5. DEMAND/CAPTURE RATE CALCULATIONS

Within the Site PMA, there are no affordable housing projects that were funded and/or built during the projection period (2014 to current). We did not identify any projects that were placed in service prior to 2014 that have not reached a stabilized occupancy. As such, no units were included in the following demand estimates.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income		
	50% AMHI (\$18,000-\$29,200)	60% AMHI (\$19,200-\$35,040)	Overall (\$18,000-\$35,040)
Demand From New Renter Households (Age- And Income-Appropriate)	333 - 329 = 4	470 - 466 = 4	520 - 517 = 3
+			
Demand From Existing Households (Rent Overburdened)	329 X 23.9% = 79	466 X 15.0% = 70	517 X 19.9% = 103
+			
Demand From Existing Households (Renters In Substandard Housing)	329 X 8.1% = 27	466 X 8.1% = 38	517 X 8.1% = 42
+			
Demand From Existing Households (Senior Homeowner Conversion)	N/A	N/A	N/A
=			
Total Demand	110	112	148
-			
Supply (Directly Comparable Units Built And/Or Funded Since 2014)	0	0	0
=			
Net Demand	110	112	148
Proposed Units	9	35	44
Proposed Units/ Net Demand	9 / 110	35 / 112	44 / 148
Capture Rate	= 8.2%	= 31.3%	= 29.7%

The capture rate for units targeting households at 50% and 60% of AMHI, ranging from 8.2% to 31.3%, are considered low to moderate, yet easily achievable. This is especially true, considering the lack of available affordable units within the Site PMA. The overall capture rate for the subject project is also achievable at 29.7%, demonstrating that there is a sufficient base of income-qualified renter households that will be able to support the subject project.

Based on the distribution of persons per household and the share of rental units in the market, we estimate the share of demand by bedroom type within the Site PMA as follows:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	20.0%
Two-Bedroom	40.0%
Three-Bedroom	40.0%
Total	100.0%

Note that we have established demand for a three-bedroom unit in the Woodruff market at 40%. Although this demand percentage for such units is higher than what is typical for the majority of markets within the country, we believe it is appropriate. This is based on the fact that there are no non-subsidized LIHTC units and the subject's three-bedroom units are generally comparable to the non-subsidized two-bedroom rents within the market. As such, we believe that higher demand will exist for the subject's three-bedroom units in the Woodruff Site PMA if it is developed.

Applying the preceding shares to the income-qualified households yields demand and capture rates of the proposed units by bedroom type as illustrated in the following tables:

Units Targeting 50% Of AMHI (110 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (20%)	22	0	22	-	-
Two-Bedroom (40%)	44	0	44	5	11.4%
Three-Bedroom (40%)	44	0	44	4	9.1%

*Directly comparable units built and/or funded in the project market over the projection period.

Units Targeting 60% Of AMHI (112 Units Of Demand)					
Bedroom Size (Share Of Demand)	Total Demand	Supply*	Net Demand By Bedroom Type	Proposed Subject Units	Capture Rate By Bedroom Type
One-Bedroom (20%)	22	0	22	-	-
Two-Bedroom (40%)	45	0	45	5	11.1%
Three-Bedroom (40%)	45	0	45	30	66.7%

*Directly comparable units built and/or funded in the project market over the projection period.

The capture rates by bedroom type and targeted income level range from 6.1% to 66.7%. These capture rates are considered low to high, yet achievable. This is especially true, considering that all affordable family (general-occupancy) housing alternatives surveyed in the market are 100.0% occupied, both of which maintain wait lists. Further, there are no non-subsidized LIHTC projects within the Woodruff Site PMA. The subject project will provide an affordable housing alternative that is currently lacking within the market and will be able to accommodate a portion of this unmet demand.

6. ABSORPTION PROJECTIONS

For the purpose of this analysis, we assume the absorption period at the proposed subject site begins as soon as the first units are available for occupancy. Since all demand calculations in this report follow Agency guidelines that assume a 2017 opening date for the site, we also assume that the first completed units at the site will be available for rent sometime in 2017. Further, these absorption projections assume the project will be built as outlined in this report. Changes to the project's rents, amenities, floor plans, location or

other features may invalidate our findings. Finally, we assume the developer and/or management will aggressively market the project a few months in advance of its opening and will continue to monitor market conditions during the project's initial lease-up period. Note that Voucher support has been considered in determining these absorption projections and that these absorption projections may vary depending upon the amount of Voucher support the subject development ultimately receives.

It is our opinion that the proposed 44 LIHTC units at the subject site will experience an average initial absorption rate of approximately six units per month and reach a stabilized occupancy of 93.0% within approximately six to seven months.

H. RENTAL HOUSING ANALYSIS (SUPPLY)

1. COMPETITIVE DEVELOPMENTS

Given the lack of non-subsidized Low-Income Housing Tax Credit (LIHTC) communities within the Woodruff Site PMA, we identified three non-subsidized LIHTC projects outside of the Site PMA, but within the region in Moore and Fountain Inn. These three projects target households with incomes up to 50% and 60% of Area Median Household Income (AMHI) and are considered comparable. It should be noted that these projects are not considered competitive with the proposed subject development, as they derive demographic support from a different geographical area. As such, these projects have been included for comparison purposes only and are summarized in the following table:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	The Terraces at Woodruff	2016	44	-	-	-	Families; 50% & 60% AMHI
901	Country Garden Estates I & II	2002	90*	100.0%	15.2 Miles	-	Families; 50% & 60% AMHI
907	Fountain Hills I	2006	48	100.0%	11.2 Miles	6 Months	Families; 50% & 60% AMHI
908	Fountain Hills II	2010	32	100.0%	10.9 Miles	100 H.H.	Families; 50% & 60% AMHI

OCC. – Occupancy

H.H. – Households

900 series Map IDs located outside of Site PMA

*Non-subsidized Tax Credit units only

The three LIHTC projects have a combined occupancy rate of 100.0%, two of which maintain extensive wait lists. This indicates that pent-up demand exists for affordable housing within the region. Given that there are no LIHTC projects within the market, the subject project will provide a rental housing alternative to low-income households which are currently underserved in the market and region.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)			Rent Special
		One-Br.	Two-Br.	Three-Br.	
Site	The Terraces at Woodruff	-	\$525/50% (5) \$560/60% (5)	\$639/50% (4) \$689/60% (6) \$706/60% (24)	-
901	Country Garden Estates I & II	\$517/50% (4/0) \$626/60% (4/0)	\$656/50% (12/0) \$786/60% (12/0)	\$698/50% (4/0) \$846-\$902/60% (54/0)	None
907	Fountain Hills I	-	\$620/50% (7/0) \$738/60% (17/0)	\$721/50% (7/0) \$858/60% (17/0)	None
908	Fountain Hills II	\$486/50% (2/0) \$586/60% (2/0)	\$687/50% (6/0) \$738/60% (6/0)	\$795/50% (8/0) \$879/60% (8/0)	None

900 series Map IDs located outside of Site PMA

The proposed subject gross rents, ranging from \$525 to \$706, will be the lowest gross rents offered relative to the rents offered at the comparable LIHTC communities targeting similar income levels in the region. Given that all comparable LIHTC projects are 100.0% occupied, two of which maintain wait lists, the proposed gross rents are appropriately positioned within the region. However, it should be noted that these comparable properties are located in larger areas in terms of population, available community services and rental housing alternatives. As such, rents being achieved in the region may not directly translate to the Woodruff market. Nonetheless, considering the lack of modern affordable rental projects in the market, the newness of the proposed development, the comprehensive amenities package and generous unit sizes, we believe the proposed rents are achievable.

One-page summary sheets, including property photographs of each comparable Tax Credit property, are included on the following pages.



907 Fountain Hills I

11.2 miles to site



Address	201 Chapman Rd. Fountain Inn, SC 29644	
Phone	(864) 409-0969	Contact Dionne
Total Units	48	Vacancies 0 Percent Occupied 100.0%
Project Type	Tax Credit	
Year Open	2006	Floors 3
Concessions	No Rent Specials	
Parking	Surface Parking	
Waiting List	6 months	
Quality Rating	A-	Neighborhood Rating B
Remarks	50% & 60% AMHI; Accepts HCV	

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
2	2	G	17	0	1100	\$0.53	\$585	60%
2	2	G	7	0	1100	\$0.42	\$467	50%
3	2	G	17	0	1260	\$0.53	\$671	60%
3	2	G	7	0	1260	\$0.42	\$534	50%

908 Fountain Hills II

10.9 miles to site



Address	205 Chapman Rd. Fountain Inn, SC 29644	
Phone	(864) 408-9820	Contact Kim
Total Units	32	Vacancies 0 Percent Occupied 100.0%
Project Type	Tax Credit	
Year Open	2010	Floors 1,2,3
Concessions	No Rent Specials	
Parking	Surface Parking	
Waiting List	100 households	
Quality Rating	A	Neighborhood Rating B
Remarks	50% & 60% AMHI; HCV (3 units)	

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Ceiling Fan, Blinds
Project Amenities	On-site Management, Laundry Facility, Club House, Playground, Computer Lab

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	2	0	879	\$0.53	\$469	60%
1	1	G	2	0	879	\$0.42	\$369	50%
2	2	G	6	0	1157	\$0.51	\$585	60%
2	2	G	6	0	1157	\$0.46	\$534	50%
3	2	G	8	0	1315	\$0.53	\$692	60%
3	2	G	8	0	1315	\$0.46	\$608	50%

901 Country Garden Estates I & II

15.2 miles to site



Address	346 N. Sunflower Way Moore, SC 29369		
Phone	(864) 574-0072	Contact	Carolyn
Total Units	100	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit & Government-Subsidized		
Year Open	2002	Floors	1,2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	GSS: 700 households		
Quality Rating	B	Neighborhood Rating	B
Remarks	50% & 60% AMHI (90 units); 50% & Public Housing (10 units); HCV (6 units); HOPE VI; 3-br garden unit is single family home		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	907	\$0.56	\$506	60%
1	1	G	4	0	907	\$0.44	\$397	50%
1	1	G	2	0	907	\$0.44	\$397	50%
2	1.5 to 2	T	12	0	1184	\$0.53	\$628	60%
2	1.5 to 2	T	12	0	1184	\$0.42	\$498	50%
2	1.5 to 2	T	6	0	1184	\$0.42	\$498	50%
3	2.5	T	53	0	1272	\$0.56	\$716	60%
3	2.5	G	1	0	1272	\$0.52	\$663	60%
3	2.5	T	4	0	1272	\$0.40	\$512	50%
3	2.5	T	2	0	1272	\$0.40	\$512	50%

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the region are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage		
		One-Br.	Two-Br.	Three-Br.
Site	The Terraces at Woodruff	-	1,000	1,200 – 1,300
901	Country Garden Estates I & II	907	1,184	1,272
907	Fountain Hills I	-	1,100	1,260
908	Fountain Hills II	879	1,157	1,315

900 series Map IDs located outside of Site PMA

Map I.D.	Project Name	Number of Baths		
		One-Br.	Two-Br.	Three-Br.
Site	The Terraces at Woodruff	-	2.0	2.0
901	Country Garden Estates I & II	1.0	1.5 – 2.0	2.5
907	Fountain Hills I	-	2.0	2.0
908	Fountain Hills II	1.0	2.0	2.0

900 series Map IDs located outside of Site PMA

The proposed development will offer two-bedroom unit sizes (based on square feet) slightly smaller than the unit sizes offered at the comparable LIHTC projects within the region, whereas the majority of the subject’s three-bedroom units will be the largest in the region. Regardless, considering that the subject project will be the only non-subsidized LIHTC project in the market, it is not anticipated that the smaller two-bedroom unit sizes will have an adverse impact on its marketability. The two bathrooms to be included in each of the subject units will be appealing to the targeted family (general-occupancy) population.

The following tables compare the amenities of the subject development with the other LIHTC projects in the region.

COMPARABLE PROPERTIES AMENITIES - WOODRUFF, SOUTH CAROLINA

MAP ID	APPLIANCES							UNIT AMENITIES											
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY	WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X		X		X	X	C	S	X	X	X				B		S	
907	X	X		X	X	X	X	C		X		X				B		S	
908	X	X		X	X	X	X	C		X		X				B		S	
901	X	X		X	X		X	C		X	X	X				B		S	

MAP ID	PROJECT AMENITIES																		
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY	PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER	OTHER
SITE		X	X	X	X	X		X			X			X		X			
907		X	X	X				X						X					
908		X	X	X				X						X					
901		X																	

<ul style="list-style-type: none"> ◆ Senior Restricted ■ Market-rate ■ Market-rate/Tax Credit ■ Market-rate/Government-subsidized ■ Market-rate/Tax Credit/Government-subsidized ■ Tax Credit ■ Tax Credit/Government-subsidized ■ Government-subsidized 	<table border="1"> <tr><td>X - All Units</td></tr> <tr><td>S - Some Units</td></tr> <tr><td>O - Optional</td></tr> </table> <table border="1"> <tr><td>Window Treatments</td></tr> <tr><td>B - Blinds</td></tr> <tr><td>C - Curtains</td></tr> <tr><td>D - Drapes</td></tr> </table>	X - All Units	S - Some Units	O - Optional	Window Treatments	B - Blinds	C - Curtains	D - Drapes	<table border="1"> <tr><td>Parking</td></tr> <tr><td>A - Attached</td></tr> <tr><td>C - Carport</td></tr> <tr><td>D - Detached</td></tr> <tr><td>O - On Street</td></tr> <tr><td>S - Surface</td></tr> <tr><td>G - Parking Garage</td></tr> <tr><td>(o) - Optional</td></tr> <tr><td>(s) - Some</td></tr> </table>	Parking	A - Attached	C - Carport	D - Detached	O - On Street	S - Surface	G - Parking Garage	(o) - Optional	(s) - Some	<table border="1"> <tr><td>Sports Courts</td></tr> <tr><td>B - Basketball</td></tr> <tr><td>D - Baseball Diamonds</td></tr> <tr><td>P - Putting Green</td></tr> <tr><td>T - Tennis</td></tr> <tr><td>V - Volleyball</td></tr> <tr><td>X - Multiple</td></tr> </table>	Sports Courts	B - Basketball	D - Baseball Diamonds	P - Putting Green	T - Tennis	V - Volleyball	X - Multiple	<table border="1"> <tr><td>Floor Covering</td></tr> <tr><td>C - Carpet</td></tr> <tr><td>H - Hardwood</td></tr> <tr><td>V - Vinyl</td></tr> <tr><td>W - Wood</td></tr> <tr><td>T - Tile</td></tr> </table>	Floor Covering	C - Carpet	H - Hardwood	V - Vinyl	W - Wood	T - Tile	<table border="1"> <tr><td>Community Space</td></tr> <tr><td>A - Activity Room</td></tr> <tr><td>L - Lounge/Gathering Room</td></tr> <tr><td>T - Training Room</td></tr> </table>	Community Space	A - Activity Room	L - Lounge/Gathering Room	T - Training Room
X - All Units																																						
S - Some Units																																						
O - Optional																																						
Window Treatments																																						
B - Blinds																																						
C - Curtains																																						
D - Drapes																																						
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Floor Covering																																						
C - Carpet																																						
H - Hardwood																																						
V - Vinyl																																						
W - Wood																																						
T - Tile																																						
Community Space																																						
A - Activity Room																																						
L - Lounge/Gathering Room																																						
T - Training Room																																						

The amenity packages that will be included at the subject development are considered superior to the comparable LIHTC communities within the region. Although the subject project will be the only LIHTC project lacking garbage disposals, it will be one of few to include a patio/balcony within each unit relative to the selected comparable affordable developments. Additionally, the subject project will be the only LIHTC project to offer in-unit washer dryer appliances in the majority of the units. Regarding project amenities, the subject project will be the only LIHTC project to offer a fitness center, additional storage and a picnic area relative to the comparable LIHTC projects. The inclusion of such amenities will provide the subject with a market advantage.

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing LIHTC properties within the region, it is our opinion that the proposed subject development is appropriately positioned and marketable. This is especially true, considering that there are no non-subsidized LIHTC developments within the market. The proposed development will provide an affordable housing alternative to low-income households that is clearly lacking within the Woodruff Site PMA. This has been considered in our absorption projections.

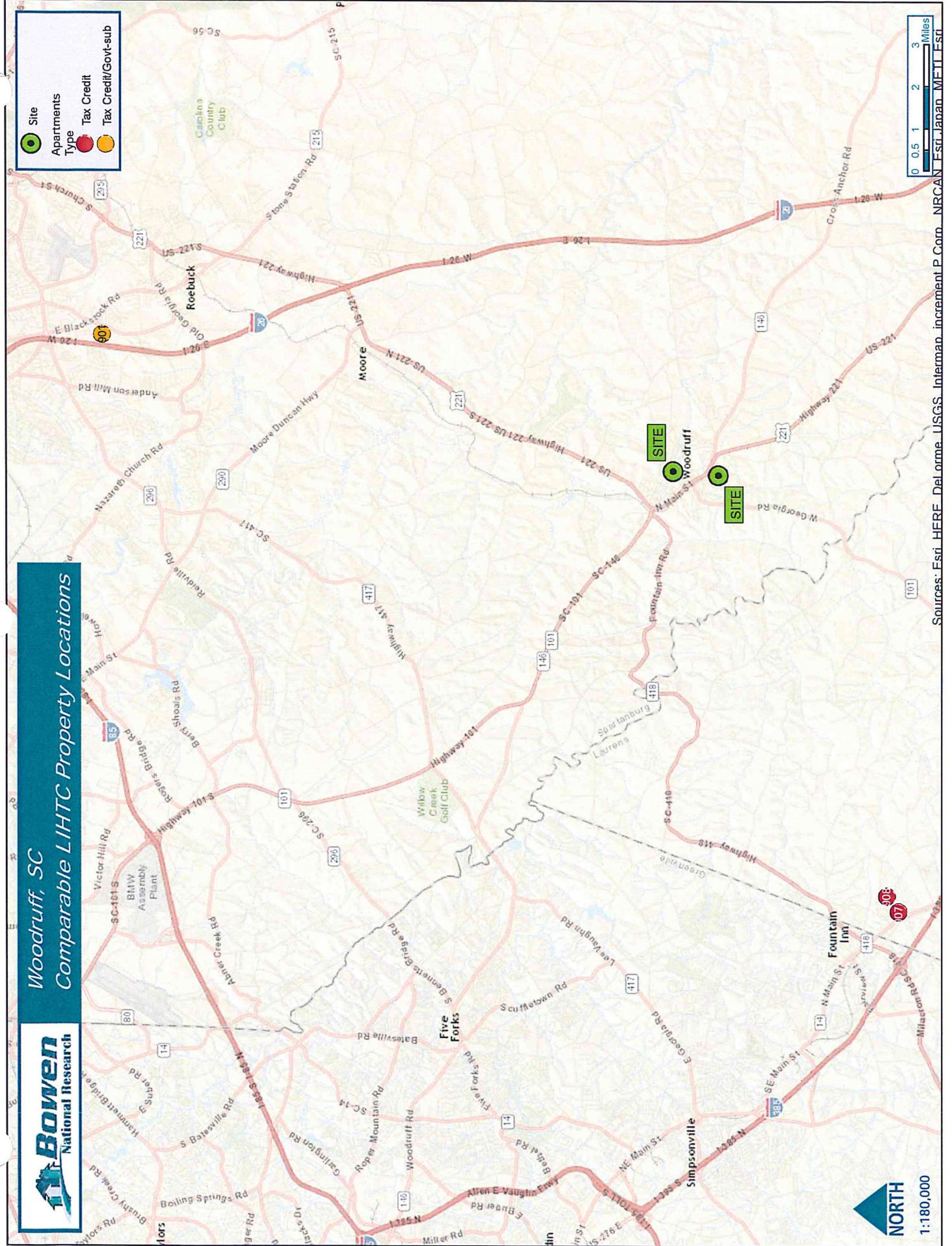
2. COMPARABLE TAX CREDIT PROPERTIES MAP

A map illustrating the location of the comparable properties we surveyed is on the following page.

Woodruff, SC
Comparable LIHTC Property Locations



Site
 Apartments Type
 Tax Credit
 Tax Credit/Govt-sub



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, Com, NRCAN, Esri, Japan, METI, Esri

7. RENTAL HOUSING OVERVIEW

The distributions of the area housing stock within the Woodruff Site PMA in 2010 and 2014 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2014 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	5,880	87.8%	5,954	87.4%
Owner-Occupied	4,463	75.9%	4,402	73.9%
Renter-Occupied	1,417	24.1%	1,552	26.1%
Vacant	819	12.2%	856	12.6%
Total	6,699	100.0%	6,810	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2014 update of the 2010 Census, of the 6,810 total housing units in the market, 12.6% were vacant. In 2014, it was estimated that homeowners occupied 73.9% of all occupied housing units, while the remaining 26.1% were occupied by renters. The share of renters is considered typical for a rural market and the 1,552 renter households in 2014 represent a good base of potential support in the market for the subject development.

We identified and personally surveyed five conventional housing projects containing a total of 236 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 96.6%, a good rate for rental housing. Among these projects, two are non-subsidized market-rate projects containing 53 units. These non-subsidized units are 90.6% occupied. The remaining three projects contain 183 government-subsidized units, which are 98.4% occupied.

The following table summarizes project types identified in the Site PMA:

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	2	53	5	90.6%
Tax Credit/Government-Subsidized	1	36	0	100.0%
Government-Subsidized	2	147	3	98.0%
Total	5	236	8	96.6%

As the preceding table illustrates, all rental housing projects surveyed broken out by project type are maintaining stable occupancy levels, none lower than 90.6%. In fact, only three vacancies exist among the three affordable rental developments surveyed, yielding an overall occupancy rate of 98.4%. This very high occupancy rate illustrates that pent-up demand likely exists for additional affordable housing within the Woodruff Site PMA. The subject project will be able to accommodate a portion of this unmet demand.

The Woodruff apartment market offers a limited range of rental product, in terms of price point and quality. The following table compares the gross rent (the collected rent at the site plus the estimated costs of tenant-paid utilities) of the subject project with the rent range of the existing conventional apartments surveyed in the market.

Bedroom Type	Gross Rent			Units (Share) with Rents Above Proposed Rents
	Proposed Subject	Existing Rentals		
		Median	Range	
Two-Bedroom	\$525-50%	\$609	\$609 - \$698	28 (100.0%)
	\$560-60%			28 (100.0%)
Three-Bedroom	\$639-50%	\$724	\$724 - \$724	16 (100.0%)
	\$689-\$706-60%			16 (100.0%) – 16 (100.0%)

All of the gross rents of existing non-subsidized rentals in the market are above the proposed rents at the subject site. As such the subject project will likely represent excellent values to low-income renters within the Site PMA. Nonetheless, the appropriateness of the proposed rents is evaluated in detail in the Achievable Market Rent Analysis section of this report.

A complete list of all properties surveyed in the Woodruff Site PMA is included in Addendum A, Field Survey of Conventional Rentals.

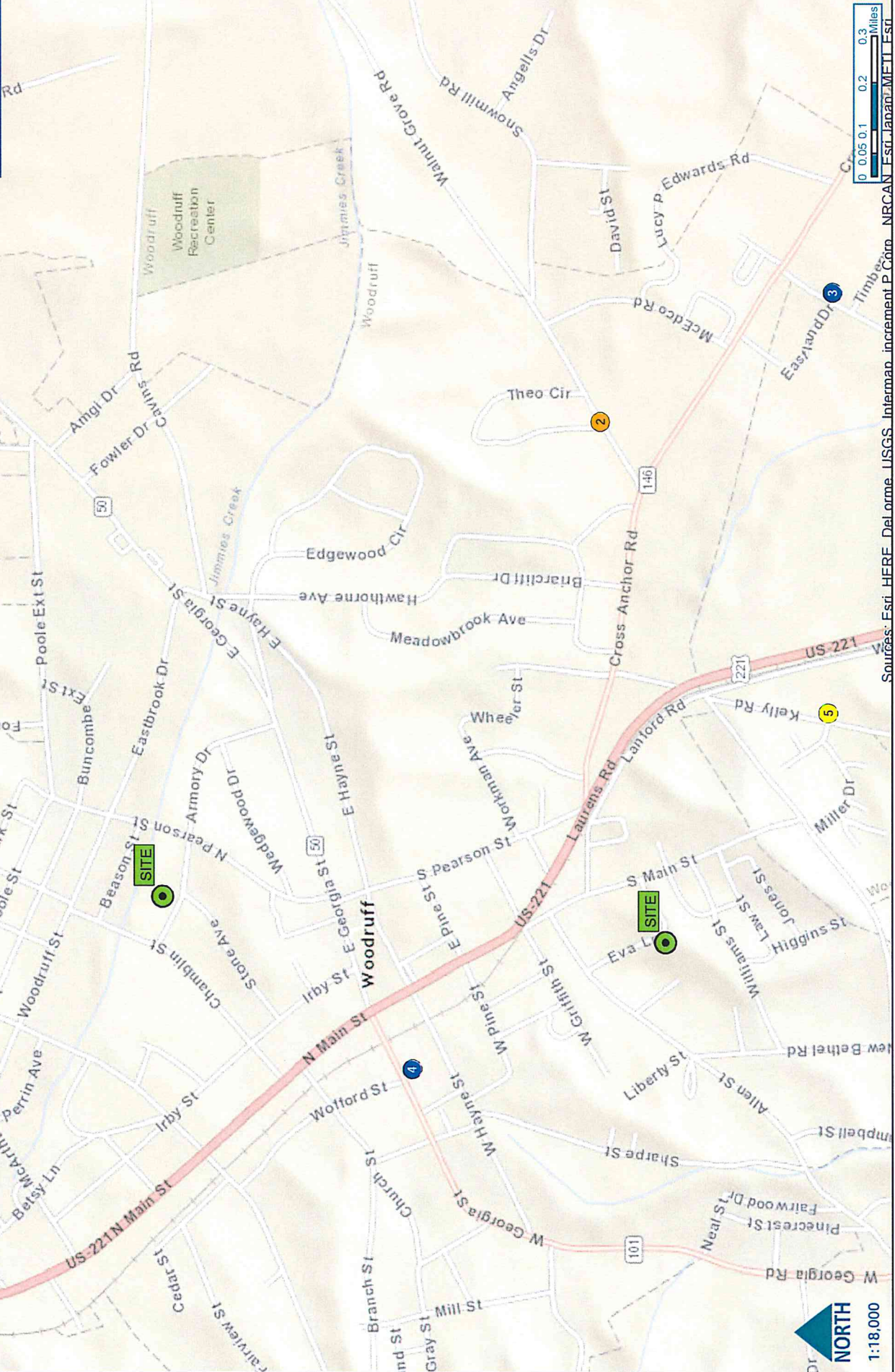
4. RENTAL HOUSING INVENTORY MAP

A map identifying the location of all properties surveyed within the Woodruff Site PMA is on the following page.

Woodruff, SC
Apartment Locations



Site
Site
Apartments Type
Govt-sub
Mkt rate
Tax Credit/Govt-sub



Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P Corp., NRCAN, Esri, Japan, METI, Esri

5. & 6. PLANNED AND PROPOSED DEVELOPMENTS

Based on our interviews with local building and planning representatives, it was determined that there are no additional multifamily housing projects planned for the area.

8. ADDITIONAL SCSHFDA VACANY DATA

Stabilized Comparables

A component of South Carolina Housing's Exhibit S-2 is the calculation of the occupancy rate among all stabilized comparables, including both Tax Credit and market-rate projects, within the Site PMA. Comparables are identified as those projects that are considered economically comparable in that they target a similar tenant profile with respect to age and income cohorts. Market-rate projects with gross rents that deviate by no more than 10% to the gross rents proposed at the site are considered economically comparable. Market-rate projects with gross rents that deviate by greater than 10% when compared to the gross rents proposed at the site are not considered economically comparable as these projects will generally target a different tenant profile. For this reason, there may be conceptually comparable market-rate projects that were utilized in determining Market Rent Advantages (see section eight *Market Rent Advantage* of this section) that are excluded as comparable projects as they may not be economically comparable. Conceptual comparability is also considered in this analysis. For example, if the subject development is of multi-story garden walk-up design, we may eliminate those market-rate projects that are of townhouse-style design even if they may be economically comparable. A project's age, overall quality and amenities offered are also considered when evaluating conceptual comparability. Note that the determination of both economic and conceptual comparability is the opinion of the market analyst.

As discussed earlier in this analysis, there are no non-subsidized LIHTC projects within the market. We identified a total of two market-rate projects, however, none are considered to be both economically and conceptually comparable.

9. MARKET RENT ADVANTAGE

We identified two market-rate properties within the Woodruff Site PMA that we consider comparable to the proposed subject development based on the bedroom types offered. It should be noted that there is a limited supply of conventional market-rate rentals available within the market area. As such, older and less desirable apartment communities within the market area have been selected. However, these less desirable apartments have been adjusted appropriately to determine the appropriate market rent. In addition, it was necessary to survey three additional developments located within the nearby city of Simpsonville that we consider comparable to the subject development based on their modern design and age. Note, an adjustment for the difference between the Woodruff and Simpsonville markets has been made. Combined, these five selected properties are used to derive market rents for a project with characteristics similar to the subject development. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents that can be achieved in the open market for the subject units with maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer and dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer so that we may derive a *market rent advantage* for a project similar to the subject project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and the prior experience of Bowen National Research in markets nationwide.

The proposed subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)			
					Studio	One-Br.	Two-Br.	Three-Br.
Site	The Terraces at Woodruff	2016	44	-	-	-	10 (-)	34 (-)
3	Woodsdale Apts.	1975	51	90.2%	-	9 (100.0%)	26 (80.8%)	16 (100.0%)
4	269 & 271 W. Georgia St.	1940	2	100.0%	-	-	2 (100.0%)	-
902	Arbors at Fairview	2002	168	97.6%	-	18 (94.4%)	126 (97.6%)	24 (100.0%)
904	Garden District	2008	242	99.6%	25 (100.0%)	102 (99.0%)	100 (100.0%)	15 (100.0%)
905	Jasmine Cove	2007	183	99.5%	-	28 (100.0%)	101 (100.0%)	54 (98.1%)

900 Series Map IDs are located outside of the Site PMA

The five selected market-rate projects have a combined total of 646 units with an overall occupancy rate of 98.3%, a strong rate for rental housing. This indicates that these projects have been well received within the market and region and will serve as accurate benchmarks with which to compare the subject project.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate the adjustments made (as needed) for various features and location or neighborhood characteristics, as well as quality differences that exist among the selected properties and the proposed subject development.

Rent Comparability Grid

Unit Type →

TWO BEDROOM

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Terraces at Woodruff		Woodsdale Apts.		269 & 271 W. Georgia St.		Arbors at Fairview		Garden District		Jasmine Cove	
Armory Road		100 Eastland Dr.		269 & 271 W. Georgia St.		1000 Arbor Keats Dr.		100 Garden District Dr.		1600 Jasmine Cove Cir.	
Woodruff, SC		Woodruff, SC		Woodruff, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC	
Data on		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
Subject		Subject		Subject		Subject		Subject		Subject	
A. Rents Charged		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
1	S Last Rent / Restricted?	\$500		\$525		\$790		\$1,030		\$912	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	Yes		None		None		None		None	
4	Occupancy for Unit Type	81%		100%		98%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$450	0.53	\$525	0.53	\$790	0.73	\$1,030	1.04	\$912	0.87
B. Design, Location, Condition		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
6	Structure / Stories	WU/2		WU/2		WU/3		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	1975	\$41	1940	\$76	2002	\$14	2008	\$8	2007	\$9
8	Condition /Street Appeal	P	\$45	F	\$30	E		E		G	\$15
9	Neighborhood	G		F	\$10	G		G		G	
10	Same Market?	Yes		Yes		No	(\$158)	No	(\$206)	No	(\$182)
C. Unit Equipment/ Amenities		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
11	# Bedrooms	2		2		2		2		2	
12	# Baths	1	\$30	1	\$30	2		2		2	
13	Unit Interior Sq. Ft.	850	\$28	1000		1085	(\$16)	990	\$2	1052	(\$10)
14	Balcony/ Patio	N	\$5	Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		F	\$10	R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	\$5	N/N	\$15	Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	L	\$10	HU	\$5	HU/L		W/D	(\$25)	HU/L	
19	Floor Coverings	C		W		C		C		C	
20	Window Coverings	B		N	\$5	B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	N	\$5	N	\$5	Y		Y		Y	
D. Site Equipment/ Amenities		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
24	Parking (\$ Fee)	LOT/\$0		D-GAR	(\$40)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	Y		Y		Y	
28	Pool/ Recreation Areas	S	\$2	N	\$5	P/F	(\$10)	P/F/L	(\$13)	P/F/S/TB	(\$16)
29	Computer Center/Storage	N/N	\$8	N/N	\$8	Y/N	\$5	Y/N	\$5	Y/Y	
30	Picnic Area	N	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y		N	\$3	N	\$3	N	\$3	Y	
32	Social Services	N		N		N		N		N	
E. Utilities		Data S Adj		Data S Adj		Data S Adj		Data S Adj		Data S Adj	
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$55)
39	Trash /Recycling	Y/N		N/N	\$14	N/N	\$14	Y/N		Y/N	
F. Adjustments Recap		Pos Neg		Pos Neg		Pos Neg		Pos Neg		Pos Neg	
40	# Adjustments B to D	12		15	1	4	5	4	5	3	5
41	Sum Adjustments B to D	\$187		\$215	(\$40)	\$25	(\$194)	\$18	(\$254)	\$29	(\$218)
42	Sum Utility Adjustments			\$14		\$14					(\$55)
		Net Gross		Net Gross		Net Gross		Net Gross		Net Gross	
43	Net/ Gross Adjmts B to E	\$187	\$187	\$189	\$269	(\$155)	\$233	(\$236)	\$272	(\$244)	\$302
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$637		\$714		\$635		\$794		\$668	
45	Adj Rent/Last rent		142%		136%		80%		77%		73%
46	Estimated Market Rent	\$675	\$0.68 ←	Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE BEDROOM 1,200 SF

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Terraces at Woodruff		Woodsdale Apts.		269 & 271 W. Georgia St.		Arbors at Fairview		Garden District		Jasmine Cove	
Armory Road		100 Eastland Dr.		269 & 271 W. Georgia St.		1000 Arbor Keats Dr.		100 Garden District Dr.		1600 Jasmine Cove Cir.	
Woodruff, SC		Woodruff, SC		Woodruff, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC	
Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
		Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
A.	Rents Charged										
1	S Last Rent / Restricted?	\$535		\$525		\$1,000		\$1,285		\$1,082	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		98%	
5	Effective Rent & Rent/ sq. ft	\$535	0.56	\$525	0.53	\$1,000	0.78	\$1,285	0.98	\$1,082	0.89
B.	Design, Location, Condition	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
6	Structure / Stories	R/1		WU/2		WU/3		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	2016	\$41	1940	\$76	2002	\$14	2008	\$8	2007	\$9
8	Condition/Street Appeal	E	\$45	F	\$30	E		E		G	\$15
9	Neighborhood	G		F	\$10	G		G		G	
10	Same Market?	Yes		Yes		No	(\$200)	No	(\$257)	No	(\$216)
C.	Unit Equipment/ Amenities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
11	# Bedrooms	3		2	\$50	3		3		3	
12	# Baths	2	\$15	1	\$30	2		2		2	
13	Unit Interior Sq. Ft.	1200	\$48	1000	\$38	1277	(\$15)	1309	(\$21)	1220	(\$4)
14	Balcony/ Patio	Y	\$5	Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		F	\$10	R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y/Y	\$5	N/N	\$15	Y/Y		Y/Y		N/Y	\$5
18	Washer/Dryer	HU/L		HU	\$5	HU/L		W/D	(\$25)	HU/L	
19	Floor Coverings	C		W		C		C		C	
20	Window Coverings	B		N	\$5	B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		N	\$5	Y		Y		Y	
D	Site Equipment/ Amenities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
24	Parking (\$ Fee)	LOT/\$0		D-GAR	(\$40)	LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y	\$5	N	\$5	Y		Y		Y	
28	Pool/ Recreation Areas	F	\$2	N	\$5	P/F	(\$10)	P/F/L	(\$13)	P/F/S/TB	(\$16)
29	Computer Center/Storage	Y/Y	\$8	N/N	\$8	Y/N	\$5	Y/N	\$5	Y/Y	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y		N	\$3	N	\$3	N	\$3	Y	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$66)
39	Trash /Recycling	Y/N		N/N	\$14	N/N	\$14	Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	10		17	1	4	5	3	6	3	5
41	Sum Adjustments B to D	\$177		\$303	(\$40)	\$25	(\$235)	\$16	(\$326)	\$29	(\$246)
42	Sum Utility Adjustments			\$14		\$14					(\$66)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$177	\$177	\$277	\$357	(\$196)	\$274	(\$310)	\$342	(\$283)	\$341
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$712		\$802		\$804		\$975		\$799	
45	Adj Rent/Last rent		133%		153%		80%		76%		74%
46	Estimated Market Rent	\$805	\$0.67	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type →

THREE BEDROOM 1,300 SF

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
The Terraces at Woodruff		Woodsdale Apts.		269 & 271 W. Georgia St.		Arbors at Fairview		Garden District		Jasmine Cove	
Main Street		100 Eastland Dr.		269 & 271 W. Georgia St.		1000 Arbor Keats Dr.		100 Garden District Dr.		1600 Jasmine Cove Cir.	
Woodruff, SC		Woodruff, SC		Woodruff, SC		Simpsonville, SC		Simpsonville, SC		Simpsonville, SC	
A.	Rents Charged	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
1	S Last Rent / Restricted?	\$535		\$525		\$1,000		\$1,285		\$1,122	
2	Date Surveyed	Mar-15		Mar-15		Mar-15		Mar-15		Mar-15	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	100%		100%		100%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$535	0.56	\$525	0.53	\$1,000	0.78	\$1,285	0.98	\$1,122	0.85
B.	Design, Location, Condition	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
6	Structure / Stories	SFH/1		WU/2		WU/3		WU/3		WU/2	
7	Yr. Built/Yr. Renovated	2016	\$41	1940	\$76	2002	\$14	2008	\$8	2007	\$9
8	Condition /Street Appeal	E	\$45	F	\$30	E		E		G	\$15
9	Neighborhood	G		F	\$10	G		G		G	
10	Same Market?	Yes		Yes		No	(\$200)	No	(\$257)	No	(\$224)
C.	Unit Equipment/ Amenities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
11	# Bedrooms	3		2	\$50	3		3		3	
12	# Baths	2	\$15	1	\$30	2		2		2	
13	Unit Interior Sq. Ft.	1300	\$67	1000	\$57	1277	\$4	1309	(\$2)	1320	(\$4)
14	Balcony/ Patio	Y	\$5	Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ Refrigerator	R/F		F	\$10	R/F		R/F		R/F	
17	Microwave/ Dishwasher	Y	\$5	N	\$5	Y		Y		Y	
18	Washer/Dryer	W/D	\$25	HU	\$25	HU/L	\$25	W/D		HU/L	\$25
19	Floor Coverings	C		W		C		C		C	
20	Window Coverings	B		N	\$5	B		B		B	
21	Intercom/Security System	N/N		N/N		N/N		N/N		N/N	
22	Garbage Disposal	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		N	\$5	Y		Y		Y	
D.	Site Equipment/ Amenities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
24	Parking (\$ Fee)	LOT/S0		D-GAR	(\$40)	LOT/S0		LOT/S0		LOT/S0	
25	On-Site Management	Y		N	\$5	Y		Y		Y	
26	Security Gate	N		N		Y	(\$5)	Y	(\$5)	Y	(\$5)
27	Clubhouse/ Meeting Rooms	Y/Y	\$10	N/N	\$10	Y/N	\$5	Y/Y		Y/N	\$5
28	Pool/ Recreation Areas	F	\$2	N	\$5	P/F	(\$10)	P/F/L	(\$13)	P/F/S/TB	(\$16)
29	Computer Center/Storage	Y/Y	\$8	N/N	\$8	Y/N	\$5	Y/N	\$5	Y/Y	
30	Picnic Area	Y	\$3	N	\$3	N	\$3	Y		Y	
31	Playground	Y		N	\$3	N	\$3	N	\$3	Y	
32	Social Services	N		N		N		N		N	
E.	Utilities	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj	Data	S Adj
33	Heat (in rent?/ type)	N/E		N/G		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	N/N		N/N		N/N		N/N		Y/Y	(\$66)
39	Trash /Recycling	Y/N		N/N	\$14	N/N	\$14	Y/N		Y/N	
F.	Adjustments Recap	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	11		17	1	7	4	3	5	4	5
41	Sum Adjustments B to D	\$226		\$337	(\$40)	\$59	(\$220)	\$16	(\$282)	\$54	(\$254)
42	Sum Utility Adjustments			\$14		\$14					(\$66)
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$226	\$226	\$311	\$391	(\$147)	\$293	(\$266)	\$298	(\$266)	\$374
G.	Adjusted & Market Rents	Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$761		\$836		\$853		\$1,019		\$856	
45	Adj Rent/Last rent		142%		159%		85%		79%		76%
46	Estimated Market Rent	\$855	\$0.66	← Estimated Market Rent/ Sq. Ft							

Once all adjustments to collected rents were made, the adjusted rents for each comparable were used to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grids, it was determined that the current achievable market rent for units similar to the subject development are \$675 for a two-bedroom unit and \$805 to \$855 for a three-bedroom unit, depending on design. The following table compares the proposed collected rents at the subject site with achievable market rent for selected units:

Bedroom Type	Proposed Collected Rent (AMHI)	Achievable Market Rent	Market Rent Advantage
Two-Bedroom	\$363 (50%)	\$675	46.22%
	\$398 (60%)		41.04%
Three-Bedroom	\$440 (50%)	\$805-\$855	45.34%
	\$490 (60%)		39.13%-42.69%
Weighted Average			42.62%

The proposed collected Tax Credit rents represent market rent advantages between 39.13% and 46.22%. Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets. Therefore, it is likely that all of the proposed units at the subject project will be viewed as a substantial value within the Site PMA.

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. This is the actual rent paid by tenants and does not consider tenant-paid utilities. The rent reported is typical and does not consider rent concessions or special promotions.
7. Upon completion of construction, the subject project will be the newest property in the market. The selected properties were built between 1940 and 2008. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties.
8. It is anticipated that the subject project will have an excellent appearance, once construction is complete. We have made adjustments for those properties that we consider to be of inferior quality compared to the subject development.

9. One of the five selected market-rate properties is located in a neighborhood that is considered to be inferior than the subject's neighborhood. As such, we have adjusted the rents at this property to account for the neighborhood difference.
10. As previously stated, three of the five selected properties are located outside of the Woodruff Site PMA in Simpsonville, which is approximately 16.0 miles west of Woodruff. The Simpsonville market is larger than Woodruff in terms of population, community services and apartment selections. Given the difference in markets, the rents that are achievable in Simpsonville will not directly translate to the Woodruff market. Therefore, we have adjusted each collected rent at these three comparable projects by approximately 20.0% to account for this market difference.
11. All of the selected properties have two-bedroom units. For the one project lacking three-bedroom units, we have used the two-bedroom units and made adjustments to reflect the difference in the number of bedrooms offered.
12. The number of bathrooms offered at each of the selected properties varies. We have made adjustments to reflect the difference in the number of bathrooms offered at the site and the number offered by the competitive properties.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar bases, we have used 25% of the average for this adjustment.
- 14.- 23. The proposed subject project will offer a unit amenity package superior to the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject property does not offer.
- 24.-32. The proposed project offers a project amenities package generally superior to the selected properties. We have made monetary adjustments to reflect the difference between the proposed project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences between the subject project's and the selected properties' utility responsibility. The utility adjustments were based on the local housing authority's utility cost estimates.

9. AFFORDABLE HOUSING IMPACT

As previously noted, there are no non-subsidized LIHTC projects within the Site PMA. As such, this will provide the project with a market advantage.

10. OTHER HOUSING OPTIONS (BUY VERSUS RENT)

According to ESRI, the median home value within the Site PMA was \$111,754. At an estimated interest rate of 4.5% and a 30-year term (and 95% LTV), the monthly mortgage for a \$111,754 home is \$672, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$111,754
Mortgaged Value = 95% of Median Home Price	\$106,166
Interest Rate - Bankrate.com	4.5%
Term	30
Monthly Principal & Interest	\$538
Estimated Taxes and Insurance*	\$134
Estimated Monthly Mortgage Payment	\$672

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents for the subject property range from \$363 to \$490 per month. Therefore, the cost of a monthly mortgage for a typical home in the area is approximately \$182 to \$309 greater than the cost of renting at the subject project's Tax Credit units, depending on unit size and targeted income level. Therefore, it is very unlikely that tenants that would qualify to reside at the subject project would be able to afford the monthly payments required to own a home or who would be able to afford the down payment on such a home. As such, we do not anticipate any competitive impact on or from the homebuyer market.

11. HOUSING VOIDS

As previously noted, there are no non-subsidized LIHTC projects located within the Woodruff Site PMA. The proposed subject project will include a total of 44 general-occupancy units targeting households up to 50% and 60% of AMHI. As such, the proposed development will provide an affordable rental housing alternative that is lacking within the market.

As outlined previously in this section of the report, there is a general lack of modern, non-subsidized rental product within the Woodruff Site PMA. In fact, all rental developments surveyed in the market were built before 1995. It is our opinion that the development of the subject project will add much needed modern units to a market that is generally aging and in need of updating. Given that there are currently no rental units under construction or planned for the market, the proposed project will help fill a need in the Woodruff Site PMA that is currently being unmet.

I. INTERVIEWS

The following are summaries of interviews conducted with various government and private sector individuals:

Cam Fant, Finance Director and Clerk to Council with the City of Woodruff, does not believe the Woodruff area is in need of affordable housing. Mr. Fant stated that if business development increases along State Route 101 in the next few years, then the need for affordable housing within the area may increase during that time. However, it should be noted that a limited amount of affordable rental developments exist within the Woodruff area. A total of three affordable developments were surveyed, of which two are 100.0% occupied and maintain wait lists. This provides evidence that pent-up demand does in fact exist for additional affordable rental housing within the Woodruff Site PMA.

Jeanie Knight, Property Manager at Woodruff Arms (Map ID 2), a Tax Credit and government-subsidized community in Woodruff, stated that there is a definite need for more affordable housing in Woodruff. Ms. Knight explained that affordable two- and three-bedroom units are in high demand.

Pat Burgess, Property Manager at Woodsdale Apartments (Map ID 3), a market-rate community in Woodruff, also believes that additional affordable housing would benefit the area. Rental housing options are limited, especially for larger families seeking a three-bedroom apartment.

J. RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market exists for the 44 units proposed at the subject site, assuming it is developed as detailed in this report. Changes in the project's site, rents, amenities or opening date may alter these findings.

The project will be appropriately positioned within the market area in terms of design (square footage and number of bathrooms), amenities and overall quality. Given the 39.13% to 46.22% market rent advantage, the proposed project will be considered a substantial value.

Given the high combined 98.4% occupancy rate (a result of only three vacant units) of all affordable developments surveyed in the market and the fact that there are no non-subsidized LIHTC developments within the Woodruff Site PMA, the proposed project will provide an affordable housing alternative to low-income households that is currently lacking within the market.

Based on the 29.7% capture rate illustrated in Section G of this report, there are a sufficient number of income-qualified renter households present within the Site PMA. Additionally, many of these households have no modern affordable housing alternative at the moment given the high occupancy rates of the existing affordable rental supply. Therefore, the proposed project will fill a void in the Woodruff rental housing market.

No recommendations are proposed at this time.

K. SIGNED STATEMENT REQUIREMENT

I affirm that I have made a physical inspection of the market and surrounding area and the information obtained in the field has been used to determine the need and demand for LIHTC units. I understand that any misrepresentation of this statement may result in the denial of further participation in the South Carolina State Housing Finance and Development Authority's programs. I also affirm that I have no interest in the project or relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written according to the SCSHFDA's market study requirements. The information included is accurate and can be relied upon by SCSHFDA to present a true assessment of the low-income housing rental market.

Certified:



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Date: March 23, 2015



Garth Semple
Market Analyst
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Date: March 23, 2015



Jack Wiseman
Market Analyst
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L. QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, since 1996. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Vice President and Market Analyst, has conducted market research since 2006 in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

Craig Rupert, Market Analyst, has conducted market analysis in both urban and rural markets throughout the United States since 2010. Mr. Rupert is experienced in the evaluation of multiple types of housing programs, including market-rate, Tax Credit and various government subsidies and uses this knowledge and research to provide both qualitative and quantitative analysis. Mr. Rupert has a degree in Hospitality Management from Youngstown State University.

Jack Wiseman, Market Analyst, has conducted extensive market research in over 200 markets throughout the United States since 2007. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, student housing, and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Stephanie Viren is the Field Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Christine Atkins, In-House Research Coordinator, has experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis since 2012, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

Lisa Wood, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Jeff Peters, Market Analyst, has conducted on-site inspection and analysis for rental properties throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Peters graduated from The Ohio State University with a Bachelor of Arts in Economics.

Garth Semple, Market Analyst, has surveyed both urban and rural markets throughout the country. He is trained to understand the nuances of various rental housing programs and their construction and is experienced in the collection of rental housing data from leasing agents, property managers, and other housing experts within the market. Mr. Semple graduated from Elizabethtown College and has a Bachelor of Arts degree in Sociology.

Tyler Bowers, Market Analyst, has travelled the country and studied the housing industry in both urban and rural markets. He is able to analyze both the aesthetics and operations of rental housing properties, particularly as they pertain to each particular market. Mr. Bowers has a Bachelor Degree of Arts in History from Indiana University.

Desireé Johnson is the Executive Administrative Assistant at Bowen National Research. Ms. Johnson is involved in the day-to-day communication with clients. She has been involved in extensive market research in a variety of project types since 2006. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

Heather Moore, Marketing Director, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

June Davis, Office Manager of Bowen National Research, has been in the market feasibility research industry since 1988. Ms. Davis has overseen production on over 20,000 market studies for projects throughout the United States.

In-House Researchers – Bowen National Research employs a staff of seven in-house researchers who are experienced in the surveying and evaluation of all rental and for-sale housing types, as well as in conducting interviews and surveys with city officials, economic development offices and chambers of commerce, housing authorities and residents.

M. Methodologies, Disclaimers & Sources

This market feasibility analysis complies with the requirements established by the South Carolina State Housing Finance and Development Authority (SCSHFDA) and conforms to the standards adopted by the National Council of Housing Market Analysts (NCHMA). These standards include the acceptable definitions of key terms used in market studies for affordable housing projects and model standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

1. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the proposed site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the proposed project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in the socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors, including, but not limited to:

- A detailed demographic and socioeconomic evaluation
 - Interviews with area planners, realtors and other individuals who are familiar with area growth patterns
 - A drive-time analysis for the site
 - Personal observations of the field analyst
- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of the unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the proposed property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to those of the proposed development. An in-depth evaluation of these two property types provides an indication of the potential of the proposed development.

- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information and projections that determine what the characteristics of the market will be when the proposed project opens and achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of the properties that might be planned or proposed for the area that will have an impact on the marketability of the proposed development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the proposed development.
- An analysis of the proposed project's market capture of income-appropriate renter households within the PMA is conducted. This analysis follows SCSHFDA's methodology for calculating potential demand. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the proposed development's capture rate is achievable.
- Achievable market rent for the proposed subject development is determined. Using a Rent Comparability Grid, the features of the proposed development are compared item by item to the most comparable properties in the market. Adjustments are made for each feature that differs from that of the proposed subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

Please note that non-numbered items in this report are not required by SCSHFDA; they have been included, however, based on Bowen National Research's opinion that it is necessary to consider these details to effectively address the development potential of proposed projects.

2. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period. Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to ensure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved. Our compensation is not contingent on an action or event (such as the approval of a loan) resulting from the analyses, opinions, conclusions in or the use of this study.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

3. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- ESRI
- Urban Decision Group (UDG)
- Applied Geographic Solutions
- Area Chamber of Commerce
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- South Carolina State Housing Finance and Development Authority
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

WOODRUFF, SOUTH CAROLINA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

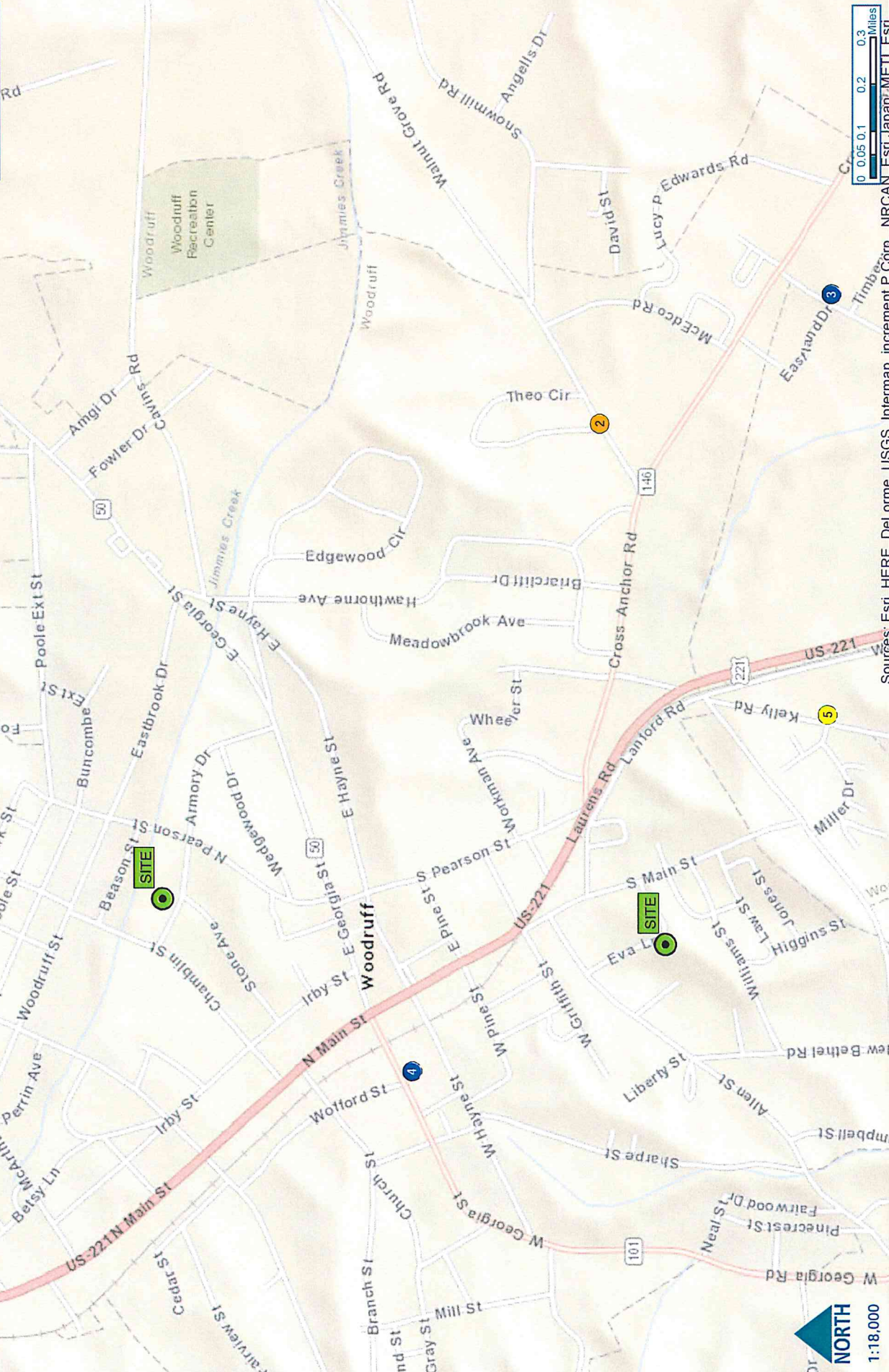


Woodruff, SC Apartment Locations

Site (Green circle with 'SITE' label)

Apartments Type

- Govt-sub (Yellow circle)
- Mkt rate (Blue circle)
- Tax Credit/Govt-sub (Orange circle)



NORTH (North arrow icon)

1:18,000 (Scale)

Sources: Esri, HERE, DeLorme, USGS, Intermap, increment P, © Geo, NRCAN, Esri, Japan, METI, Esri

MAP IDENTIFICATION LIST - WOODRUFF, SOUTH CAROLINA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
1	Georgia Manor Apts.	GSS	B	1994	48	3	93.8%	1.9
2	Woodruff Arms	TGS	C	1984	36	0	100.0%	1.2
3	Woodsdale Apts.	MRR	D	1975	51	5	90.2%	1.6
4	269 & 271 W. Georgia St.	MRR	C	1940	2	0	100.0%	0.7
5	Kelly Acres	GSS	D	1975	99	0	100.0%	0.7

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	2	53	5	90.6%	0
TGS	1	36	0	100.0%	0
GSS	2	147	3	98.0%	0

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: March 2015

DISTRIBUTION OF UNITS - WOODRUFF, SOUTH CAROLINA

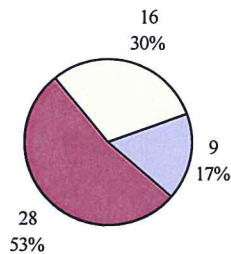
MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	9	17.0%	0	0.0%	\$562
2	1	28	52.8%	5	17.9%	\$609
3	1.5	16	30.2%	0	0.0%	\$724
TOTAL		53	100.0%	5	9.4%	

TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	12	33.3%	0	0.0%	N.A.
2	1.5	24	66.7%	0	0.0%	N.A.
TOTAL		36	100.0%	0	0.0%	

GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
0	1	12	8.2%	0	0.0%	N.A.
1	1	62	42.2%	3	4.8%	N.A.
2	1	30	20.4%	0	0.0%	N.A.
3	1	30	20.4%	0	0.0%	N.A.
4	1	12	8.2%	0	0.0%	N.A.
5	1	1	0.7%	0	0.0%	N.A.
TOTAL		147	100.0%	3	2.0%	
GRAND TOTAL		236	-	8	3.4%	

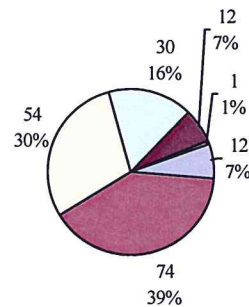
DISTRIBUTION OF UNITS BY BEDROOM

NON-SUBSIDIZED








- 1 BEDROOM
- 2 BEDROOMS
- 3 BEDROOMS

SUBSIDIZED



- 0 BEDROOMS
- 1 BEDROOM
- 2 BEDROOMS
- 3 BEDROOMS
- 4 BEDROOMS
- 5 BEDROOMS

SURVEY OF PROPERTIES - WOODRUFF, SOUTH CAROLINA

1	Georgia Manor Apts.		
	Address 150 Shennandale Cir. Woodruff, SC 29388 Year Built 1994 Comments HUD Section 202	Phone (864) 476-6048 <small>(Contact in person)</small> Contact Beverly	Total Units 48 Vacancies 3 Occupied 93.8% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List None
2	Woodruff Arms		
	Address 100 Theo Cir. Woodruff, SC 29388 Year Built 1984 Renovated 2010 Comments 60% AMHI; RD 515, has RA (14 units); HCV (2 units); Square footage estimated	Phone (864) 476-2432 <small>(Contact in person)</small> Contact Sylvia	Total Units 36 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C Waiting List 4 households
3	Woodsdale Apts.		
	Address 100 Eastland Dr. Woodruff, SC 29388 Year Built 1975 Comments HCV (6 units); Typical 2-br rent: \$500; 3-br units have washer/dryer hookups & ceiling fan; One 1-br manager unit not included in total Rent Special Reported 2-br rents discounted	Phone (864) 476-2923 <small>(Contact in person)</small> Contact Pat	Total Units 51 Vacancies 5 Occupied 90.2% Floors 2 Quality Rating D Waiting List None
4	269 & 271 W. Georgia St.		
	Address 269 & 271 W. Georgia St. Woodruff, SC 29388 Year Built 1940 Comments	Phone (864) 978-7844 <small>(Contact in person)</small> Contact Fran	Total Units 2 Vacancies 0 Occupied 100.0% Floors 2 Quality Rating C Waiting List None
5	Kelly Acres		
	Address 100 Miller Dr. Woodruff, SC 29388 Year Built 1975 Comments Public Housing	Phone (864) 476-7043 <small>(Contact in person)</small> Contact Steve	Total Units 99 Vacancies 0 Occupied 100.0% Floors 1 Quality Rating D Waiting List 12 months

Project Type

	Market-rate
	Market-rate/Tax Credit
	Market-rate/Government-subsidized
	Market-rate/Tax Credit/Government-subsidized
	Tax Credit
	Tax Credit/Government-subsidized
	Government-subsidized

Survey Date: March 2015

COLLECTED RENTS - WOODRUFF, SOUTH CAROLINA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
3		\$435	\$450	\$535					
4			\$525						

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: March 2015

PRICE PER SQUARE FOOT - WOODRUFF, SOUTH CAROLINA

ONE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Woodsdale Apts.	1	800	\$562	\$0.70
TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Woodsdale Apts.	1	850	\$609	\$0.72
4	269 & 271 W. Georgia St.	1	1000	\$698	\$0.70
THREE-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
3	Woodsdale Apts.	1.5	950	\$724	\$0.76

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

Survey Date: March 2015

AVERAGE GROSS RENT PER SQUARE FOOT - WOODRUFF, SOUTH CAROLINA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.70	\$0.72	\$0.76
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.70	\$0.72	\$0.76
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - WOODRUFF, SOUTH CAROLINA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Woodruff Arms	12	700	1	60%	\$397 - \$473
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
2	Woodruff Arms	24	900	1.5	60%	\$432 - \$508

QUALITY RATING - WOODRUFF, SOUTH CAROLINA

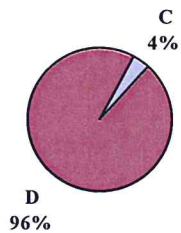
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
C	1	2	0.0%			\$698		
D	1	51	9.8%		\$562	\$609	\$724	

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



YEAR BUILT - WOODRUFF, SOUTH CAROLINA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	2	0	0.0%	2	3.8%
1970 to 1979	1	51	5	9.8%	53	96.2%
1980 to 1989	0	0	0	0.0%	53	0.0%
1990 to 1999	0	0	0	0.0%	53	0.0%
2000 to 2005	0	0	0	0.0%	53	0.0%
2006	0	0	0	0.0%	53	0.0%
2007	0	0	0	0.0%	53	0.0%
2008	0	0	0	0.0%	53	0.0%
2009	0	0	0	0.0%	53	0.0%
2010	0	0	0	0.0%	53	0.0%
2011	0	0	0	0.0%	53	0.0%
2012	0	0	0	0.0%	53	0.0%
2013	0	0	0	0.0%	53	0.0%
2014	0	0	0	0.0%	53	0.0%
2015**	0	0	0	0.0%	53	0.0%
TOTAL	2	53	5	9.4%	53	100.0 %

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of March 2015

Survey Date: March 2015

APPLIANCES AND UNIT AMENITIES -
WOODRUFF, SOUTH CAROLINA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	1	50.0%	51
REFRIGERATOR	2	100.0%	53
ICEMAKER	0	0.0%	
DISHWASHER	1	50.0%	51
DISPOSAL	0	0.0%	
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	2	100.0%	53
AC - WINDOW	0	0.0%	
FLOOR COVERING	2	100.0%	53
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	2	100.0%	53
PATIO/DECK/BALCONY	1	50.0%	2
CEILING FAN	1	50.0%	51
FIREPLACE	1	50.0%	2
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	1	50.0%	51
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - WOODRUFF, SOUTH CAROLINA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	1	50.0%	51
LAUNDRY	1	50.0%	51
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	1	50.0%	51
COMPUTER LAB	0	0.0%	
SPORTS COURT	1	50.0%	51
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - WOODRUFF, SOUTH CAROLINA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
TENANT			
ELECTRIC	2	135	57.2%
GAS	3	101	42.8%
			100.0%
COOKING FUEL			
TENANT			
ELECTRIC	3	86	36.4%
GAS	2	150	63.6%
			100.0%
HOT WATER			
TENANT			
ELECTRIC	3	86	36.4%
GAS	2	150	63.6%
			100.0%
ELECTRIC			
TENANT			
			5
			236
			100.0%
WATER			
LANDLORD	1	48	20.3%
TENANT	4	188	79.7%
			100.0%
SEWER			
LANDLORD	1	48	20.3%
TENANT	4	188	79.7%
TRASH PICK-UP			
LANDLORD	3	135	57.2%
TENANT	2	101	42.8%
			100.0%

UTILITY ALLOWANCE - VARIOUS, SC

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$23	\$16		\$7	\$8	\$11	\$13	\$5	\$32	\$15	\$26	\$14	\$20
1	GARDEN	\$26	\$19		\$8	\$9	\$13	\$13	\$6	\$35	\$16	\$28	\$14	\$20
1	TOWNHOUSE	\$29	\$19		\$8	\$9	\$13	\$13	\$6	\$42	\$16	\$28	\$14	\$20
2	GARDEN	\$29	\$23		\$10	\$13	\$19	\$14	\$8	\$48	\$20	\$35	\$14	\$20
2	TOWNHOUSE	\$29	\$23		\$10	\$13	\$19	\$14	\$8	\$53	\$20	\$35	\$14	\$20
3	GARDEN	\$32	\$28		\$12	\$16	\$24	\$15	\$9	\$60	\$24	\$42	\$14	\$20
3	TOWNHOUSE	\$30	\$28		\$12	\$16	\$24	\$15	\$9	\$65	\$24	\$42	\$14	\$20
4	GARDEN	\$35	\$33		\$14	\$18	\$27	\$16	\$11	\$72	\$28	\$49	\$14	\$20
4	TOWNHOUSE	\$30	\$34		\$14	\$18	\$27	\$16	\$11	\$77	\$28	\$49	\$14	\$20

SC-Upstate Region (1/2015)

Survey Date: March 2015



ADDENDUM B – MEMBER CERTIFICATION & CHECKLIST

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for Housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.

Certified:



Patrick Bowen
President/Market Analyst
patrickb@bowennational.com
Date: March 24, 2015



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: March 24, 2015

Note: Information on the National Council of Housing Market Analysts may be obtained by calling 202-939-1750, or by visiting <http://www.housingonline.com/MarketStudiesNCAHMA/AboutNCAHMA/tabid/234/Default.aspx>

ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary (Exhibit S-2)	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
EMPLOYMENT AND ECONOMY		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
DEMOGRAPHIC CHARACTERISTICS		
24.	Population and household estimates and projections	F
25.	Area building permits	H
26.	Distribution of income	F
27.	Households by tenure	F
COMPETITIVE ENVIRONMENT		
28.	Comparable property profiles	H
29.	Map of comparable properties	H
30.	Comparable property photographs	H
31.	Existing rental housing evaluation	H
32.	Comparable property discussion	H
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	H
34.	Comparison of subject property to comparable properties	H
35.	Availability of Housing Choice Vouchers	H
36.	Identification of waiting lists	H & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	H
38.	List of existing LIHTC properties	H
39.	Discussion of future changes in housing stock	H
40.	Discussion of availability and cost of other affordable housing options including homeownership	H
41.	Tax Credit and other planned or under construction rental communities in market area	H
ANALYSIS/CONCLUSIONS		
42.	Calculation and analysis of Capture Rate	G
43.	Calculation and analysis of Penetration Rate	N/A
44.	Evaluation of proposed rent levels	H
45.	Derivation of Achievable Market Rent and Market Advantage	H
46.	Derivation of Achievable Restricted Rent	N/A
47.	Precise statement of key conclusions	J
48.	Market strengths and weaknesses impacting project	J
49.	Recommendations and/or modification to project discussion	J
50.	Discussion of subject property's impact on existing housing	H
51.	Absorption projection with issues impacting performance	G & J
52.	Discussion of risks or other mitigating circumstances impacting project projection	J
53.	Interviews with area housing stakeholders	I

CHECKLIST (Continued)

OTHER REQUIREMENTS		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	C
56.	Certifications	K
57.	Statement of qualifications	L
58.	Sources of data not otherwise identified	D
59.	Utility allowance schedule	Addendum A